FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Marsh: Free State industry

In a sharp attack on Government intervention in nationalised industries policy yesterday Mr. Richard Marsh, chairman of British Rail, said the railways could be restored to financial stability in two or three years if given freedom to manage their business in "a clear and consistent policy framework."

He said at a House of Commons lunch that political intervention was the major cause of the financial problems of nationalised industries generally.

"Members of Parliament bear far more responsibility for the current level of public expenditure, including the demands of the nationalised industries, than any other group in the country." It was a "schizophrenic approach" to aim at holding down fares but also cutting costs. Back Page

Concern over tea workers

The committee of three Labour and three Tory MPs investigating the Granada TV programme on Sri Lanka tea plantation conditions found them "disturbing," with wide malnutrition, rising child death rate and pay "often too low to buy a family's basic proteins." But it said Granada, though right to draw public attention to the problem, showed "lack of balance and a degree of distortion." Back Page

EEC poll result 'next day'

Sir Philip Allen, chief counting officer in the Common Market referendum on June 5, said the result should be clear by the evening of Friday, June 6, unless the margin was very close. By 7 pm about 80 per cent. of the vote should be declared.

U.S. A-blast

America made her most powerful underground nuclear explosion so far this year, the sixth, at the Nevada test site yesterday. A U.S. spokesman said Russia had had "three presumed tests" in 1975.

Basque battles

Four people were killed, including a Civil Guard lieutenant, in shooting between Basque Nationalists and Spanish police, at Guernica. Civil Guards besieging a flat, faced machine-gun fire. Three guerillas died. There were several other incidents and observers said there had not been so much violence since the Civil War ended in 1939. Page 6

Lebanon protests

Lebanon protested to U.N. Secretary-General Kurt Waldheim against Israeli attacks across the frontier, listing over a dozen incidents, and said she would call for Security Council action if they continued. Middle East news, Page 7

Lisbon pay clamp

Portugal announced a 21 per cent. rise in the national statutory minimum wage from June 1, set a ceiling of about £600 a month and froze all pay above £200 a month till the end of the year. Page 6

People and places

King Hussein of Jordan and Queen Alia left Heathrow for home under tight security, including troops, after a four-day private visit.

Pools wins scooped £169,241 for a South Wales ex-miner and £141,818 for a Hertfordshire village housewife.

Man who cut down 94 trees without a licence was fined £6,000 at Bradford-on-Avon, Wilts.

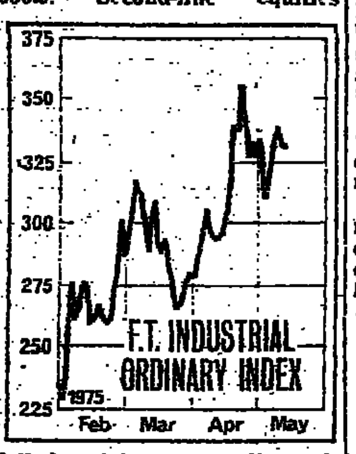
Pub bomb in Carnmoney Road, Belfast, hurt five people, none seriously.

Getting it out—Get-Britain-Out Referendum Campaign offices in Mayfair were robbed of about £300 in a break-in.

BUSINESS

Golds above 400; Dow at 1975 peak

● EQUITIES recovered most of their early losses in quiet trading after the April trade figures were announced. The FT 30-share index dipped 1.4 to 330.9. Second-line equities



failed to join in the rally, with falls leading rises by 3-1 in FT-quoted Industrials. NSS Newsagents, Duport and Allied Irish Banks all announced "rights" issues. Gold Mines index rose 9.0 to 402.2.

● GILTS fluctuated narrowly, generally gaining around ¼.

● GOLD rose $1½ to $167½.

● STERLING'S weighted depreciation was 25.1 per cent. (25.2) and it closed 40 points higher at $2.3115. Dollar's weighted average slipped to 6.87 (6.80).

● WALL STREET gained 8.60 to close at $58.73, its highest since June, 1974.

● INVESTMENT DOLLAR premium declined, with increased offerings from U.S. buying of South African Gold shares, closing 4¼ points down at 100¾ per cent.

● DEVELOPMENT LAND Tax Bill is being postponed by the Government until the next Parliamentary session because of its length and complexity. Page 12

Leyland unions seek control

● BRITISH LEYLAND unions are demanding an element of worker participation as the price of their co-operation in the Government's plan to rescue the corporation. Back Page

● PERUVIAN GOVERNMENT, reacting to unconfirmed reports that Gulf Oil has accused an unidentified foreign country of extorting $4.2m. in bribes, has seized all the U.S. company's local assets. Page 5

● CBI director-general Mr. Campbell Adamson warned that employers would not cooperate in unpopular and harmful policies if their views were ignored by the Government. Back Page

● WARD WHITE, shoe manufacturer, is to dismiss about 750 people, a tenth of its labour force, because of a fall in retail demand and strong competition from low-cost imported footwear. Page 8

● BUILDING SOCIETIES are becoming increasingly concerned about the effects which the Government's new index-linked savings schemes may have on their ability to attract funds. Page 8

● MARKS and Spencer is to reduce prices in its Paris store by 10 to 20 per cent. because of the fall of sterling against the French franc.

● ROMANIAN BONDS, on which payments have been suspended for many years, rose sharply on the stock market as a new round of negotiations between the U.K. and Romania got under way.

● ROYAL INSURANCE first-quarter pre-tax profit rose £2.6m. to £6.7m. Page 24 and Lex

CHIEF PRICE CHANGES

(Prices in pence unless otherwise indicated.)

RISES		
Romania Gd 4½pc '13	£11½	+ 5
Allied Irish Banks	128	+ 12
Cussons	68	+ 8
Hawker Siddeley	280	+ 8
NSS Newsagents	94	+ 15
Paterson Zochonis	400	+ 20
Royal Insurance	302	+ 12
Royal Sovereign	46	+ 4
Sangamo Weston	80	+ 13
Steaua Romana	34	+ 6
Zinc Alloy	9½	+ 3
McLeod Russel	82	+ 10
Anglo Utd. Dev.	100	+ 10
Charter Cons.	201	+ 7
Durban Deep	£12	+ 1¼
West Driefontein	£52	+ 2½
FALLS		
Associated News	102	− 4
BSR	69	− 5
Barclays Bank	264	− 6
Bejam	76	− 6
Boots	241	− 6
Fisons	370	− 10
Land, Secs.	210	− 4
Lyons (J.) 'A'	142	− 6
Manbre & Garton	127	− 5
Metal Box	274	− 7
Mothercare	162	− 4
Peachey Property	37½	− 4½
Pearson (S.)	110	− 5
Reardon Smith	440	− 40
Reed Int.	272	− 6
Tarmac	146	− 7
Tate & Lyle	264	− 9
Trust Houses Forte	108	− 7
Utd. Real Property	245	− 10
Wilkes (J.)	49	− 10
Wood Hall Tst.	92	− 6
Gopeng Cons.	253	− 7
Messina	360	− 15
Pot. Plats.	206	− 6

(FT stock indices and FT-Actuaries summary Page 37.)

No crew on board • marines land on island

U.S. marines recapture ship

BY PAUL LEWIS and ADRIAN DICKS, WASHINGTON, MAY 14

THE WHITE HOUSE announced late to-night that U.S. marines have seized back the American merchant ship Mayaguez captured by Cambodian gunboats in the Gulf of Thailand on Monday. However, a Pentagon spokesman said none of the 39 crew was on board.

The announcement came less than an hour after a broadcast by Phnom Penh radio in which the new regime's Information Minister had announced that the ship would be freed.

The White House Press Secretary, Ron Nessen, also announced that President Ford had ordered marines to land on Koh Tang Island, 30 miles from the Cambodian coast, where the Mayaguez is anchored "in order to rescue any crew members as may be on the island."

The aircraft carrier Coral Sea was ordered to begin military operations in support of the marines action.

The White House sent a message to the Cambodian Government, through an undisclosed channel, saying it had heard the Radio Phnom Penh broadcast that the Khmer Rouge was prepared to release the Mayaguez, although it was not clear whether this meant that the crew would be freed as well.

The American message said that "as you know, we have seized the ship," and added that the U.S. was prepared to promptly stop military operations if the vessel's 39 crewmen were released unconditionally and immediately.

The Phnom Penh announcement was the first public reference by Cambodian Communists to the seizure of the Mayaguez since it was captured.

According to UPI, it said: "Our RGNUC (Royal Government of National Union in Cambodia) will order the Mayaguez to withdraw from Cambodian territorial waters and will warn it against further espionage or provocative activities. This applies to the Mayaguez or any other ships, like the ship flying the Panamaian flag which was released on May 9."

The attack was made by a task force of ships and marines that had been dispatched to the captured freighter after U.S. aircraft had sunk three of the Cambodian gunboats guarding it. President Ford had summoned Congressional leaders to an "emergency meeting" at the White House, among increasing signs that the U.S. was planning to take back the Mayaguez by force if the Cambodians had not surrendered it quickly.

Last night's attack brought the U.S. back into action in Indo-China scarcely two weeks after he had declared its involvement there definitely over.

The attack on the gunboats was made by A-7 and F-4 (Phantom) fighters from the U.S. bases in Thailand as well as an AC-130 gunship—all using 20mm. cannon. First reports claimed that another four Cambodian gunboats had been immobilised, but the Pentagon later retracted this.

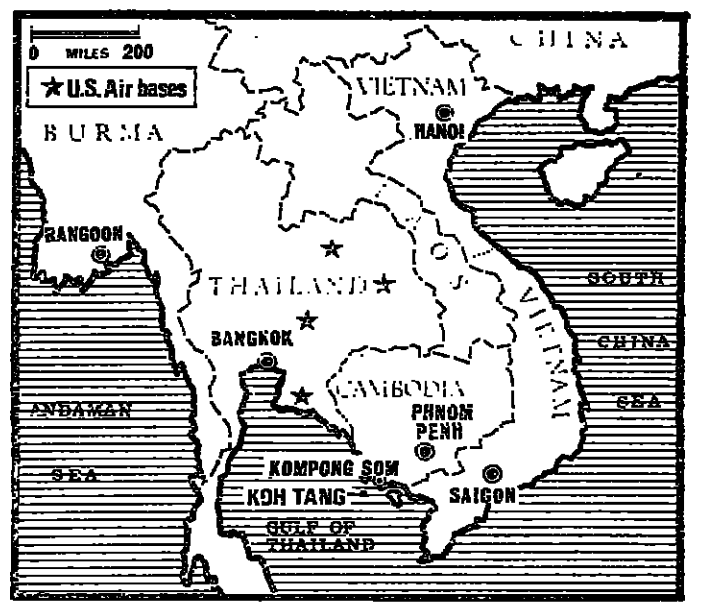
An attempt to rescue survivors had been beaten off by Cambodian gunfire—although the American pilots did not see any of the crewmen in the sunken boats.

Despite the recourse to force, the White House had been careful not to close the door completely on a diplomatic solution to the crisis to-day—and it revealed that the U.N. Secretary-General had been asked to bring his influence to bear on the Cambodian Government.

At the same time as the Pentagon announced the sinking of the gunboats, it pointedly revealed that the U.S. destroyer Holt had already reached the island—with other ships of the Seventh Fleet, including the aircraft carrier Coral Sea expected to join it there early to-morrow morning.

Meanwhile, 1,100 U.S. marines who were put on standby alert in Okinawa yesterday had arrived by air this morning at a U.S. base in Thailand.

They were immediately greeted by protests from the Thai Government which is trying to mend its fences with its newly acquired Communist neighbours—and which said it would not allow the U.S. to launch an attack against Cambodia from its soil. It ordered the marines to leave within 24 hours. Relations between Washington and Bangkok were further strained by news that the planes had come from Thailand.



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More South-East Asia news, Page 7

April's £289m. trade deficit shows better export trend

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

THE announcement of a better trend in the U.K.'s overseas trade figures, coupled with some further modest support for sterling by the Bank of England, enabled the U.K. authorities yesterday to hold the depreciation of the pound to 25.1 per cent. below December 1971 levels, against 25.2 per cent. on Tuesday.

Although the trade deficit in April bounced back to £289m. from the freakishly low £118m. recorded in March, this is much lower than had been expected until the Prime Minister gave an advance hint about the improvement in his week-end broadcasts.

It means that, taking the three months February-April together—to iron out the distortions caused by the London dock strike—the annual rate of deficit on current account was down to £1.35bn., compared with one of £3.5bn. in the previous three months.

While this is a welcome improvement, it still leaves the U.K. running a very high rate of deficit by any standards.

Much of the reduction is attributable to the U.K. recession. With manufacturers cutting back on stocks, the volume of imports has fallen 6½ per cent. in the past three months. The reduction in the tonnage of crude oil imported is a sizeable 21 per cent.

Meanwhile, despite the world recession, the cutback in the physical volume of exports has been less substantial—they were down only 1½ per cent. in February-April.

This reflects two factors:

1. The backlog of export orders won last year when world market conditions and U.K. competitiveness were better than in recent months; and

2. The fact that at last, after a very slow start, U.K. exports to the oil exporting countries are beginning to take off—they jumped by 27 per cent. in value between November-January and February-April.

On Tuesday, however, the Confederation of British Industry suggested that export orders had been harder to win in recent months, and that the pace of U.K. wage inflation was having a serious effect on export competitiveness.

It was precisely to adjust to this declining competitiveness that the U.K. authorities showed no serious inclination to arrest the recent fall in the pound on the foreign exchange markets until Tuesday.

By the time sterling had fallen to 25 per cent. below December 1971 levels on Monday—compared with 21.4 per cent. at the end of 1974—the authorities decided that the slide was enough for the time being, and supported the pound to the tune of over $200m. to stop the rate falling below 25.2 per cent.

Yesterday the Bank of England is believed to have supported the rate early in the day and immediately after the trade figures announcement at 3.30 p.m. But market sources believe the sum involved to have been considerably smaller than on Tuesday, in the range of $50m. to $75m.

The improved effective sterling rate of 25.1 per cent. was calculated before the market had news of the U.S. bombing Cambodian warships. This news reversed the previous recovery in the dollar, and produced a bigger jump in Continental currencies' value against the dollar than sterling, which closed at $2.3115, against $2.3075 on Tuesday.

An indication that the Government is not expecting the improvement in the trade figures to go on at quite the pace of recent months was given by the Paris-based Organisation for Economic Co-operation and Development's Working Party Three yesterday. The forecast current balance of payments deficit for 1975 is still put at close to £3bn. and will have been prepared in consultation with the Treasury.

BALANCE OF PAYMENTS
CURRENT ACCOUNT FOR THE MONTH OF APRIL, 1975

£m. per month seasonally adjusted	Current Balance	Visible Balance: Trade in Goods: Petroleum and petroleum products	Other goods	Total	Invisible Balance: Services and other current transactions
1974	−3,828	−3,446	−1,813	−5,259	+1,431
1974 1st	− 971	− 770	− 509	−1,279	+ 308
2nd	− 985	− 881	− 435	−1,316	+ 331
3rd	− 797	− 876	− 334	−1,210	+ 413
4th	−1,075	− 919	− 535	−1,454	+ 379
1975 1st‡	− 323	− 781	+ 98	− 683	+ 360*
1974 Nov.	− 474	− 305	− 295	− 600	+ 126†
Dec.	− 232	− 287	− 72	− 359	+ 127†
1975 Jan.	− 155	− 312	+ 37	− 275	+ 120*
Feb.	− 170	− 263	− 27	− 290	+ 120*
Mar.‡	+ 2	− 206	+ 88	− 118	+ 120*
Apr.‡	− 169	− 213	− 76	− 289	+ 120*
1974 Nov.-Jan. 75	− 862	− 904	− 331	−1,235	+ 373*
1975 Feb.-Apr.‡	− 337	− 682	− 15	− 697	+ 360*

* Projections. † One-third of the appropriate calendar quarter's estimate. ‡ Figures for visible trade in March and April were distorted by the industrial dispute at the Port of London.

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OECD forecasts $7bn. deficit, Back Page
Terms of Trade table, Page 8

£15m. State aid for Ferranti

BY NICHOLAS LESLIE

GOVERNMENT proposals for supporting Ferranti, the electronics group which has been hit by a liquidity shortage, envisage the injection of £15m. in exchange for 50 per cent. voting control, up to two seats on the Ferranti Board and appointment of a new chief executive and a new finance director.

It is also apparent that the Government, if necessary, is prepared to underwrite the losses of Ferranti's troubled transformer division—for which a long-term future has still to be worked out and which in recent years has been incurring losses at an average annual rate of some £1m. A listing of Ferranti's shares within a few years is also likely.

Mr. Anthony Wedgwood Benn, the Industry Secretary, outlining the support plans in the Commons yesterday, said the Government's aim was to establish a viable company, preserving employment and maintaining a British capability in the areas where Ferranti had a high reputation. The alternative was receivership, which "at a time when the company's prospects depended on confidence in their continuing operation would not be the right course for us to adopt."

Mr. Benn's statement on Ferranti met with approval from Labour MPs, but Mr. Michael Heseltine, the Opposition industry spokesman, maintained that it was "an unnecessary and expensive deal," with no indication being given of how profitability was to be achieved or any indication of commitment by unions that they would help to achieve profitability.

The proposals clearly represent a favourable situation for the Ferranti brothers, Sebastian and Basil, who at present control 56 per cent. of the voting shares and who will end up with half that voting power once the scheme is implemented. Precisely how they used their bargaining power is unclear, and the company's advisers, County Bank, would give no indication yesterday.

The £15m. of finance will be made up as to £8.7m. in exchange for £4m. Ordinary voting shares at 150p each and 2.7m. new non-voting shares at 100p each. The balance of £6.3m. will be subscribed by way of a loan stock dated 1983-87, the coupon to be at an "appropriate commercial" rate.

With its non-voting shares, the Government will own 62½ per cent. of the total equity, and these non-voting shares will be enfranchised on October 1, 1978, or earlier if Ferranti seeks a Stock Market share listing.

If a listing is sought, the

Continued on Back Page
Tri-ang details, Page 8

TUC rules out wage 'vetting'

BY JOHN WYLES, LABOUR REPORTER

THE PROSPECT of any major changes in the social contract's pay guidelines being recommended to the annual Trades Union Congress in September was virtually ruled out by senior TUC leaders yesterday.

At the end of a key meeting of the economic committee, TUC leaders agreed on the need to step up their efforts to persuade unions to abide by the contract, but decided that these moves should stop short of any attempt to introduce a formal system of "vetting" wage claims.

This means that the committee's review of the social contract's operation, being prepared for this year's congress, is likely to urge a tighter union adherence to the guidelines without proposing any fundamental changes in the pay policy.

Meanwhile, the TUC will press ahead with moves designed to emphasise both the continued importance of the social contract and union anxiety about aspects of Government policy.

The committee decided yesterday to seek a meeting with the Chancellor of the Exchequer and call for urgent action against rising unemployment, together with selective import controls, and a separate meeting with Mrs. Shirley Williams, the Prices Secretary, to emphasise increasing union concern at spiralling prices.

At the same time, next week's TUC general council meeting is being urged by the committee to issue a statement reaffirming the central importance of the social contract and rejecting any form of statutory pay control.

Mr. Len Murray, the general secretary, emphasised after yesterday's meeting that the TUC did not believe that the Government intended "to go down that path," but it wanted to counteract the "barrage" from some sections of the Press suggesting that a statutory pay policy was probable.

Although the diminishing prospect of the TUC producing a tougher version of the pay guidelines will disappoint some Ministers, the economic committee may still produce a statement aimed at clarifying the guidelines' intention and strengthening their effectiveness.

Mr. Murray's statement yesterday that the guidelines were "perfectly satisfactory and adequate" was generally in line with views expressed by members of the commitee. Mr. Murray added that he saw no reason to believe that Congress would want to change the guidelines.

But union leaders did, nevertheless, express concern yesterday at the present 30 per cent. rate of pay settlements and the committee may well decide next month to urge unions against using special case pay settlements as a basis for comparable demands.

TUC leaders were also agreed yesterday on the need to re-emphasise the importance of the guideline urging a 12-month gap between settlements. They believe that rising prices are putting this under increasing pressure.

For latest Share Index 'phone 01-246 8026

LOMBARD

Behind the Benn 'demonology'

BY C. GORDON TETHER

ANTI-MARKETEERS have been inclined to see the current virulent outbreak of "Benn demonology" as a *manifestation* of their opponents' anxiety to convert the Common Market tussle into a largely irrelevant political war—in the belief, of course, that this provides them with the best hope of winning *the referendum. And there can* be no doubt that the publicity given to the fact that Mr. Benn is both a prominent anti-Marketeer and a leading exponent of the more dynamic forms of socialist ideology has played a major part *in the success of the drive to* create a class issue out of the EEC question which Mr. Enoch Powell spoke about

But is there not more to this phenomenon than that? Is it not also likely that, in calling for basic *reform of* the *capital* market, Mr. Benn has brought to the surface the kind of vested interest opposition to replacing a defective system with a new one which Mr. James Robertson, former director of the Inter-*Bank Research Organisation,* ringed round in his recent book of "Profits or People."

Top echelons

Says Mr. Robertson: "Most people in positions of influence and power in Britain to-day have some kind of vested interest in *the existing system of politics,* business and Government." And he adds a variation on this theme which is particularly pertinent to the attack that the top echelons of the business system an dtheir sympathisers in *the Tory, Liberal and Labour* parties have been mounting against Mr. Benn's proposals for breathing new financial life into British industry. "Most bankers and financiers," he says, "have a vested interest in preserving a closed and unfair financial system."

In endeavouring to gauge how far *obstructionism of this* unworthy kind is behind the campaign to saddle Mr. Benn with the image of an economic dracula, it is important to remember two things. One is that the existing methods of ensuring that the promotion of industrial development in Britain is adequately catered for in the financial sense have proved to be grossly inadequate.

No amount of enveighing by *Lord Watkinson of the CBI and* City tycoons against the adverse effects Mr. Benn's current activities are allegedly having on business confidence can disguise that

The other thing that is important to notice is that Mr. Benn has not only recognised that the de-industrialisation story of *the past ten years points to the* need for a fundamental re-appraisal of the City's role in relation to the provision of capital for domestic development —something that was long overdue in Whitehall. He has also *implicitly* acknowledged what many critics of the present system, including myself, have been saying for a long time past. Which is that the City is far too internationally-oriented for the good of the home side.

Mr. Benn is treated as though he has uttered an unforgivable obscenity when he advances the proposition that insurance and pension *fund* companies *should* be required to channel a proportion of their new funds to the National Enterprise Board to finance investments approved under planning agreements. Yet, if there is one lesson that emerges *more clearly* than any other from the present mess, it is that nothing is more likely to jeopardise the security of insurance and pension fund money—indeed all forms of saving—than continuing to deprive British industry of an adequate supply of development finance.

More needed

The National Economic Development Office has itself tacitly recognised this by calling for "a serious examination of whether funds belonging to U.K. financial institutions cannot be channelled towards industrial investment at home."

There are two other points that can be legitimately made in answer to those who are behaving as though money made available to the National Enterprise Board will automatically be exposed to much more serious risk than if left to the tender mercies of City houses.

One is that these institutions *have themselves* hazarded substantial quantities of the money entrusted to their care during the past few years. The other is that, if the National Enterprise Board fulfils its intended function of providing essential finance for British growth industries which the existing machinery is unable to mobilise, *there is no reason why insurance* and pension funds should not be as profitably and safely *employed there as anywhere else.*

Mr. Benn's long-term ideology may not be everybody's cup of tea. But the proposals he has put forward for regenerating British industry deserve to be taken seriously

RACING — BY DOMINIC WIGAN

Shebeen for Yorkshire Cup

THERE WERE few easier winners at the recent Newmarket Guineas meeting than *Shebeen* in the Jockey Club Stakes and I shall be disappointed if the New-*market filly fails to follow up in* to-day's Group 2 Yorkshire Cup (3.35) at York.

Sent into the lead 1½ furlongs from home at Newmarket, Shebeen quickly opened up a gap hbetween herself, Rouser and *Dibidale and, although wander*ing to the right in the final 100 yards, she had four lengths to spare over stable-companion Rouser at the line.

Shebeen, who recovered from two bouts of a virus infection *last season to go on and land* the Cumberland Lodge Stakes and the Princess Royal Stakes at Ascot, will be well suited by this stiff 1¾ miles, over which she did well to finish third in last season's Park Hil Stakes. I be-*lieve she will prove too strong* for Kalpour, from whom she receives 4 lbs.

Just over an hour before he saddles Shebeen for the Yorkshire Cup. Bruce Hobbs runs another recent winner, Victorian *Habit, in the Wilkinson Memorial* Stakes (2.30) for two-year-olds.

A chesnut daughter of that highly successful stallion Habitat, Victorian Habit came with a fine turn of foot to catch and pass the odds-on Alanrod in the final

YORK

2.00—Star of Israel
2.30—*Victorian Habit*
3.00—Ruling Class
3.35—Shebeen*
4.10—Steel Heart**
4.40—Blagoslav***
5.10—Pierino

UTTOXETER

4.45—Quickapenny
7.15—Meli Melo
8.15—Donohill

two or three-strides of the Garter Stakes at Ascot a fortnight ago.

She seems likely to follow up —possibly at the main expense *of Ian Balding's promising filly,* Marmura Bay.

Dermot Weld and Lester Piggott combined to land a good number of major prizes in Britain and Ireland last season. They team up again to-day — *this time in the Duke of York* Stakes (4.10) with the course and distance winner *Steel Heart.*

This bay colt, also by Habitat, proved too fast for Auction Ring and It's Freezing in the Gimcrack Stakes and, although sub-*sequently* well-beaten by Grundy in the Dewhurst Stakes, the testing conditions at Newmarket may well have contributed a good deal towards his defeat.

With better going here, I expect Steel Heart to outpace top weight Midsummer Star and the talented yet unpredictable Sceptered Isle.

Captain Ryan Price's doubts at Newbury last month as to whether Rio Alta would be able to handle the heavy ground in the Stroud Green Handicap proved unfounded when Lord Weir's three-year-old came with a tremendous burst of speed close to home to get up and beat Jacmel.

Rio Alta, who turns out for the Sledmere Stakes (4.40), will certainly have no trouble with the ground here and it will come as a surprise if he does not again run well. A more attractive proposition, however, is the possibly leniently-treated *Blagoslav,* a convincing winner of Newmarket's Heath Handicap.

SALEROOM — BY ANTONY THORNCROFT

"Napoleon" gun tops £25,000

A GUN which may have belonged to Napoleon sold for £25,200 at Christie's yesterday to Robert Held, an American collector living in Florence. The saleroom had estimated around £15,000 for the double-barrelled flintlock gun, made and signed by Le Page *of Paris* in 1807.

Le Page made guns for the Emperor and his entourage, and the serial number on this gun is among those ordered by Napoleon, either for his personal use or for gifts. The gun, which is elaborately decorated with gold and silver, was acquired in the 1820s in Paris by Charles *Winn an ancestor of the present* Lord St. Oswald, whose Trustees of the Nostell Settled Estate disposed of it yesterday.

In total, the sale of arms and armour realised £89,227, with price good and few lots unsold. A Spanish miquelet lock gun by Diego Alvarez in Madrid around 1780 sold for £2,520 to the Swiss *Bank, acting for a client, and a* pair of mid-19th-century percussion pistols by Gasteinne-Renette was acquired for £2,205. The same pistols had sold at Christie's in 1972 for £1,207 and ten years earlier had made £357.

The most exceptional feature at the Sotheby's sale was the prices for rather second-division Old Masters. All the main items comfortably topped their estimates *in a sale which made* £138,875. A Flight into Egypt by Lucas Gassel sold for £7,000 to J. Kennedy (estimate £3,000-£4,000), and some resting huntsmen by Dirck Maas exceeded its forecast at £4,800. An anonymous buyer paid £4,000 (double the estimate) for four female figures from the Circle of Giorgio *Vasari, and a Dutch dealer paid* £3,800 (below forecast) for a coastal scene by Abraham Willaerts.

Stamps are a very popular inflation hedge at the moment and this was reflected in the price levels at the second part of the disposal of one of the best Victorian collections at Robson Lowe yesterday. The sale totalled £122,862, with the estimates being left way behind. *The top price was the £7,500* given for a block of six Penny Blacks of May 9, 1840, only three days after the start of the Penny Post. The block had been estimated to fetch £2,000.

A single stamp of May 10, 1840, sold for £4,600 (estimate £1,000), and a used block of ten, undated, made £6,500 (estimate £5,000). Other surprises came with the £3,000 bid for a Penny *Red which had been cancelled* with a rare yellow cancellation mark—it had been forecast at only £700—and the £3,200 for another yellow cancellation on a Penny Black (£700).

Phillips's sale of oriental ceramics saw an encouraging rise in prices for this field of antiques. In a sale of 132 lots, totalling £26,004, only five were unsold, and these in the lower ranges. Top price was £7,000 for an 18th-century blue and white pilgrim flask with the Ch'ien Lung seal and mark of the *period. It had been estimated* at £4,000-£6,000—a year ago, at the height of the porcelain boom, a similar example would be expected to fetch £21,000. It was bought by a private British collector.

Typical of the increased interest were the following prices: a small blue and white jar of Y'ung Cheng, £400 (est. £65), and a fine blue and white stem Ch'ien Lung, £400 (est. £80-£120).

TV/Radio

BBC 1

† Indicates programme in black and white.

9.41 a.m. For Schools, Colleges. 12.25 p.m. The 60, 70, 80 Show. 12.55 News. 1.00 Pebble Mill. 1.45 Chigley. 2.00 Tennis: Coca-Cola Bournemouth Championships of Great Britain. 2.35 For Schools, Colleges. *3.00 Tennis: Coca-Cola* Bournemouth Championships. †3.58 Regional News (except London). 4.00 Play School. 4.25 Pixie and Dixie. 4.35 Jackanory. 4.50 Blue Peter. 5.15 Sam and the River. 5.40 Roobarb.

5.45 News.
†6.00 Nationwide.
6.45 To-morrow's World 400th Edition.
7.10 Top of the Pops.
7.40 Dad's Army.
8.10 The Undersea World of Jacques Cousteau.
9.00 News.
9.25 Play for To-day.
10.35 Midweek at the Market.
†11.28 Regional News.

All Regions as BBC 1 except at the following times:—

Wales—1.45-2.00 p.m.—Nant-y-Pant. 2.35-2.55 Gwlad a Thref. 6.00-6.45 Wales To-day. 6.45-7.10 Heddiw. 7.40-8.10 Blodeugerdd. 9.25-10.35 Wales and the Market: Rt. Hon. Edward Heath, MP, and Hugh Scanlon debate the Common Market before a Welsh audience in Cardiff. †11.28 News.

Scotland—6.00-6.45 p.m. Reporting Scotland. †11.28 Scottish News Summary.

Northern Ireland—2.35-2.55 p.m. *Ulster in Focus (for Schools).* 3.58-4.00 Northern Ireland News. 6.00-6.45 Scene Around Six. 7.40-8.10 Spotlight. †11.28 Northern Ireland News Headlines.

England—6.00-6.45 p.m. †Look North (from Leeds, Manchester, *Newcastle); †Midlands To-day* (from Birmingham); †Look East (from Norwich); Points West (from Bristol); †South To-day (from Southampton); †Spotlight South-West (from Plymouth).

BBC 2

†6.40 a.m. Open University.
11.00 Play School.
4.00 p.m. Tennis: Coca-Cola Bournemouth Championships of Great Britain.
†5.00 Open University.
6.40 *Model World.*
†7.05 Open University.
7.30 Newsday.
7.55 Collector's Pieces.
8.10 The Girls of Slender Means, part 2.
9.00 All in the Family.
9.25 Man Alive.
10.15 Gardeners' World.
10.40 Centre Play.
11.10 News Extra.
11.29 *Closedown: Robert Powell* reads "Swifts" by Ted Hughes.

LONDON

9.30 a.m. Schools Programmes. 10.35 The 21st Century. 11.00 Schools Programmes. 12.00 Mr. Trimble. 12.15 p.m. Paperplay. 12.30 Making Things Fit. 1.00 First Report. 1.20 Lunch-time *To-day. 1.30 Crown Court.* 2.00 Good Afternoon. 2.20 General Hospital. 2.50 "Johnny Reno," starring Jane Russell. †4.25 *Comedy Classics:* Will Hay in "Boys Will Be Boys."
5.50 News from ITN.
6.00 To-day.
6.35 Crossroads.
7.00 Born Free.
8.00 Love Thy Neighbour.
8.30 This Week.
9.00 Special Branch.
10.00 News.
10.30 A Place in Europe.
11.00 The State of the Welfare State.
12.00 What the Papers Say.
12.15 a.m. Open Mind.

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.00 Women Only. †2.50 "Charley's Big Hearted Aunt." starring Arthur Askey. 4.25 The Romper Room. 4.55 Around the World in 80 Days. 5.20 Rock On With 45. 6.00 About Anglia. 6.25 Arena. 7.00 Bygones. 7.30 The Protectors. 11.00 Griff. 11.55 The Living Word.

ATV MIDLANDS

1.20 p.m. Lunchtime Newsdesk. 2.50 "The Astonished Heart." 4.25 Voyage to the Bottom of the Sea. 5.20 Rock On With 45. 6.00 ATV Today. 7.00 Barnaby Jones. 10.30 Gardening Today. 1.00 Checkmate. 11.30 What the Papers Say. 11.45 Ian Knox.

BORDER

†1.25 p.m. Border News. 2.00 Women Only. †2.50 "Charley's Big Hearted Aunt." 4.25 Skippy. 4.50 Junior Library. 5.05 Cartoon Time. 5.20 Rock On With 45. 6.00 Border News and Lookaround. 7.00 Movin On. 10.30 Gardening Today. 11.00 Maude. †11.30 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 4.25 Cowboy in Africa. 5.15 Anna and the King. 6.00 Channel News. 6.10 Skippy. 7.00 The Six Million Dollar Man. 10.30 Jason King. 11.00 *Life in France. 11.15 The Collaborators.* 12.10 a.m. News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 2.00 Women Only. 4.25 Tarzan. 5.20 Rock On With 45. 6.00 Grampian News. 6.10 Love American Style. 7.00 Marcus Welby MD. 10.35 Conservative Party Conference Report. 10.50 Gardening Today. 11.15 Matter of Concern. 11.45 Evening Prayers.

GRANADA

1.20 p.m. This Is Your Right. †2.50 "The Jackpot." 4.25 Tarzan. 5.15 Dodo. 5.20 Crossroads. 6.00 Granada Reports. 6.35 Rock On With 45. 7.05 The Pathfinders. 10.30 Reports Extra. 11.15 What the Papers Say. 11.35 Shannon's Mob.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 4.25 Around the World in Eighty Days. 4.50 Adventures in Rainbow Country. 5.20 Help! 5.25 Crossroads. 6.01 Report West. 6.15 Report Wales. 6.30 Husband of the Year. 7.00 Born Free. 10.30 Gallery. 11.00 Journey to the Unknown.

HTV Cymru/Wales—As HTV General *Service except: 1.20-1.25 p.m. Penawdau* Newyddion y Dydd. 4.25 Miri Mawr. 4.35 Miri Mwy. 4.50-5.20 Shang a Lang. 6.01-6.15 Y Dydd. 10.30 Countryside. 11.00 To Be Seven In Belfast.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Sport West.

SCOTTISH

1.25 p.m. Road and Weather Report. 2.00 Housecall. †2.50 "Charley's Big Hearted Aunt." starring Arthur Askey. 4.25 Around the World in Eighty Days. 4.55 Arthur of the Britons. 5.20 Professor Kitzel. 5.25 Crossroads. 6.00 Scotland Today. 6.30 Glasgow 800. 7.00 The Six Million Dollar Man. 10.30 Conference Report. 10.45 Late Call. *10.50 New* Faces.

SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. †2.50 "Charley's Big Hearted Aunt." starring Arthur Askey. 4.25 Around the World in Eighty Days. 4.50 The Beachcombers. 5.20 Dodo. 5.25 Cross-*roads. 6.00 Day by Day 6.35 Survival.* 7.00 The Six Million Dollar Man. 8.00 Shut That Door!! 10.30 Late Thursday Film: "The Corrupt Ones," starring Robert Stack. 12.10 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 1.25 p.m. Where The Jobs Are. 2.00 Women Only. 4.25 Tarzan. 5.20 Rock On With 45. 6.00 Today at Six. 7.00 The Six Million Dollar Man. 10.30 Maude. 11.00 Double Top. 11.30 Late News Extra. 11.35 Famous Folk of Richmondshire.

ULSTER

1.20 p.m. Ulster News Headlines. 4.23 Ulster News Headlines. 4.25 Lost In Space. 5.20 Rock On With 45. 6.00 UTV Reports. 7.00 Six Million Dollar Man. 11.00 What's It All About.

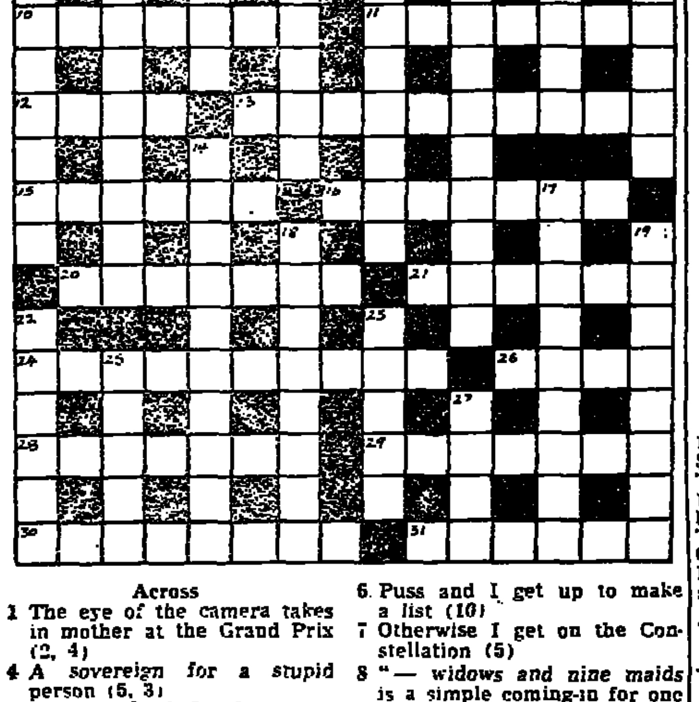
WESTWARD

12.15 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. †2.50 "Charley's Big Hearted Aunt." starring Arthur Askey. 4.25 Cowboy in Africa. *5.15 Anna and the King.* 6.00 Westward Diary. 7.00 The Six Million Dollar Man. 10.30 Westward Report. 11.10 Westward Late News. 11.15 The Collaborators. 12.10 a.m. Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 2.50 "The Redhead from Wyoming." starring Maureen O'Hara. 4.25 Tarzan. 5.20 Rock On With 45. 6.00 Calendar. 7.00 The Six Million Dollar, Man. 10:30 Calendar Forum. 11.15 Barnaby Jones.

F.T. CROSSWORD PUZZLE No. 2,778



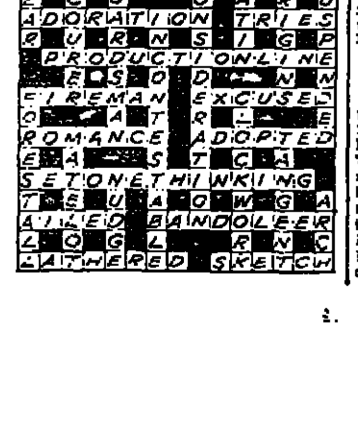
Across

1 The eye of the camera takes in mother at the Grand Prix (2, 4)
4 A *sovereign* for a stupid person (5, 3)
10 It is the drink for the motorcyclist (7)
11 There is little room in the French network (7)
12 The food sounds reasonable (4)
13 Purification is to put off a measure in the school exam (10)
15 Reduction allowed from the butcher (6)
16 Ragtime can make us move *elsewhere* (7)
20 This country has intelligence about it (7)
21 Do cues have cash value? (6)
24 We are seen stepping out in Yorkshire (4, 6)
26 Take off equipment from the South (4)
28 Lower form of disappointment (3, 4)
29 Delivery charge started by East German in buttons (7)
30 Relative gets round in what is left (8)
31 Get your hands round a bob for the songs (6)

Down

1 A C.O. flees upset to suffer humiliation (4, 4)
2 Examiner has a swinging time on the hill (9)
3 *Audacity associated with some* chicken (4)
5 Country stamped as Latin (8)
6 Puss and I get up to make a *list* (10)
7 Otherwise I get on the Constellation (5)
8 "— *widows and nine maids* is a simple coming-in for one man" (M.O.V.) (6)
9 Regiment gets up to study in the forest (5)
14 Roman officers mechanised (10)
17 Communication one never forgets to make (5-4)
18 "I'd better go into the house, *and die and be a* ——" (Dickens) (8)
19 There is no advantage in going barefoot (8)
22 Spring aboard with the V.I.P.'s (6)
23 Pick off a bird (5)
25 The type of strike that has evil about it (3, 2)
27 Goddess of the river (4)

Solution to Puzzle No. 2,777



RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including this week's new top 30 LP discs and 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) also on VHF. *5.00 Newsbeat. 5.15 John Peel* with Top Gear. 7.00 As Radio 2 until 12.33 a.m. closedown.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Simon Bates (S) with The Early Show. 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin and 8.45 *Pause for Thought.* 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.50 p.m. Cricket Scoreboard. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1 but including on 1500m only (also 202m. Scotland). 2.45, 3.45 and 4.45 Sports Desk. 5.02 Waggoners' Walk. 5.17 John Dunn (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 The 75 Show. 7.30 Cricket Scoreboard. 7.32 The Organist Entertains (S). 8.02 Folk 75 (S). 8.30 Folkweave (S). 9.02 Time for Old Time in Radio 2 Ballroom (S). 10.02 *Sports Desk.* 10.05 *Don Durbridge* (S) with Music Through Midnight including 12.00 News. 12.31 a.m. News Summary.

RADIO 3 464m, Stereo & VHF

† Medium Wave only

7.00 a.m. News. 7.05 Overture: Tartini, Handel, Mendelssohn (S). 8.00 News. 8.05 Morning Concert: Copland, Vaughan Williams, Walton (S). 9.00 News. 9.05 *This Week's Composer:* John Ireland (part mono) (S). 9.45 Choral Music from Cambridge (S). 10.10 Ronald Smith piano recital, part 1 (S). 11.05 Interval Reading. 11.10 Piano Recital, part 2. 12.00 Bournemouth Symphony Orchestra, part 1: Brahms (S). 1.00 p.m. News. 1.05 Concert, part 2: Brahms (S). 2.00 Rameau Ensemble (S). 2.45 Northern University Concert (S). 3.35 Words . . . talk by Robert Conquest. 3.40 Concert, part 2 (S). *4.25 BBC Concert Orchestra concert* (S). 5.25 Pied Piper (S). †5.45 Homeward Bound. †6.05 News. †6.10 Homeward Bound (contd). †6.30 Study on 3. 7.30 A Concert of Russian Music, part 1: Tchaikovsky (S). 8.05 The Sentimental Traveller. 8.25 Concert, part 2: Shostakovich (S). 9.40 Storm Cloud. 10.10 Brahms and Britten songs recital (S). 11.25 News.

Radio 3 VHF only—6.30-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4

434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today including 6.50 and 7.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of Today. 7.27 Sportsdesk. 7.35 Today's Papers. 7.45-7.50 Thought for the Day. 7.55 Weather, programme news. 8.00 News and more of Today. 8.27 Sportsdesk. 8.35 Today's Papers. 8.45 Yesterday in Parliament. 9.00 News. †9.05 These You Have Loved. †10.00 News. †10.05 From Our Own Correspondent. 10.30 Daily Service. †10.45 Morning Story. †11.00 News. †11.05 If You Think You've Got Problems . . . †11.50 Johnny Morris recalls unusual occupations. 12.00 News. 12.02 p.m. You and Yours. 12.27 My Music (S). †12.55 Weather, programme news, VHF (except London and SE) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 *Woman's Hour (from 2.00) including* 2.00-2.02 News. †2.45 Listen with Mother. 3.00 News. 3.05 Afternoon Theatre. 3.50 Jack de Manio Precisely including (4.00-4.05 News). 4.35 Story Time. 5.00 PM Reports. †5.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Dad's Army. 6.45 The Archers. 7.00 News Desk. 7.30 Any Answers? 8.00 My Kind of Music: Laurens van der Post plays some of his favourite records. 8.45 Analysis: The Stony Road—*consideration of the state of the economy* and the choice of roads open to the Government. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight: Radio 4's International Business Report. Market Trends. 11.15 Today in Parliament. 11.30 News.

For Schools: VHF only—9.05 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London

206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.02 Downtown. 11.03 In Town. 12.03 p.m. Call In—1. 12.45 London News Desk. 1.03 Call In—2. 2.03 206 Showcase. 3.03 Young in Mind. 4.03 Sound Out. 4.32 *Home Run including London News Desk* at 5.00, 6.00. 7.00 In Town. 8.00 Rail. 8.30 In Concert. 10.03 Robbie Vincent's Late Night London. 12.00 As Radio 2 until closedown.

London Broadcasting

261m and 97.3 VHF

6.00 a.m. "A M" News, interviews, traffic and travel news, plus sport. 10.00 Open Line with George Gale. 12.00 Newswatch. 6.00 p.m. Newsbreak. 7.30 Music in Stereo, devised by Andrew Carnegie. 9.00-1.05 a.m. Love in London, presented by Adrian Love.

Capital Radio

194m and 95.8 VHF

6.30 a.m. Kenny Everett with 2½ hours of music and madness. 9.00 Michael Aspel with music, features, advice and Swopshop. 12.00 Cash on Delivery with Dave Cash and music. 3.00 p.m. Roger Scott with music. 7.00 London Today. 7.30 Open Line. 9.00 Nicky Horne's rock show. 11.00 Tony Myatt's late night on Capital. 2.00 a.m. Night Flight.

Comedy

A Touch of Spring by B. A. YOUNG

Here is Hayley Mills in her first modern stage comedy—saucy little-girl face beneath hair styled more for the discotheque than the drawing-room, waist you could encircle with your two thumbs and middle fingers, skirts stopping just short of kneecaps as smoothly outlined as melting ice, the very ideal of the old-fashioned British ingénue. As Alison Ames in Samuel Taylor's *A Touch of Spring* you do not question her acting ability too closely; her part consists largely of romantic clichés that she could encompass in her sleep, and when she seems, as she does, to be putting too much into the little cadenzas the author gives her from time to time, it is only needful to remember that Alison is a young, inexperienced English actress and this is perhaps how she would behave.

No doubt there are scores of people willing to sit and watch Miss Mills in anything she cares to give them, and there are worse ways in which they could spend time in the theatre. I have to say, though, that *A Touch of Spring* is as far from being my cup of tea as that bitter, frothy Japanese liquid was from the Queen's the other day, with one difference. "Surprising!" was Her Majesty's comment on taking her first sip, whereas there is little surprising in Mr. Taylor's comedy. It is a jigsaw of ready-made romantic pieces neatly fitted together. I sat tight-lipped, a skeleton at the feast, as the first-night audience laughed itself weak.

The scene is Rome, the bridal suite in a luxury hotel, and the first quarter hour, the period that in older comedies was spent with the servants and the telephone establishing the names and relationships of the characters, is devoted to building up

The Entertainment Guide is on Page 18

Italian atmosphere. Not real, observant Italian atmosphere, but comic-paper atmosphere where the foreigners are shown to be foolish or sly, where the fittings don't work and only a sharp word from an Anglo-Saxon can get anything done properly. In the suite are Diana and Sandy Claiborne, rich Americans, in Rome to arrange the correct disposal of Sandy's father, who has been killed in a motor accident and subsequently mislaid.

Alison Ames is looking for her mother, killed in the same accident. By somewhat forced contrivance Diana has to fly back to the States for her sister's wedding, leaving Sandy and Alison to conduct their research together. Egged on by Baldassare, the local universal pimp and go-between, they conduct other things together with little delay. To keep the denouement at bay as long as possible, Mr. Taylor has made Baldassare gay, with a penchant for Sandy, and has introduced a film director who on the strength of Baldassare's imitation of Alison doing a television commercial engages her for a film about Alexander the Great to be shot in Spain.

A romance of this kind needs a strong seasoning of wit, as in the similarly-entitled film *A Touch of Class*, if it is to rise above the trivial. Mr. Taylor's wit is itself pretty trivial, also predictable. The players, under Allan Davis's effervescent direction, do what they can. Peter Donat is a decent American ready-made, Jill Melford rather wasted in a small part as an American matron. Baldassare, though composed of every comedy-Italian cliche under the Mediterranean sun, is winningly played by Leigh Lawson, and there is an effective cameo sketch of a fat, amorous film director by Anthony Morton. Carmen Dillon is the designer; in the lack of another credit in the programme, I suppose she did Miss Mills's dresses, and they are enchanting, at any rate when Miss Mills is in them.

David Williams, Bill Fraser, Christopher Cazenove, Barbara Jefford, Peggy Marshall, Jeffrey Holland and Keith Mitchell in Christopher Fry's translation of 'Cyrano de Bergerac,' which opened the Chichester Festival Theatre season last night

Festival Hall

Marilyn Horne

by GILLIAN WIDDICOMBE

A skimpy audience for the LSO on Tuesday. James Levine, crisply gifted young American conductor masked a grimace that was obviously asking "Why? The pound? Miss Horne? Or me?" And the first part of the concert was an unduly grim, mechanical affair. A brusque, breathless performance of Mendelssohn's Ondine overture *The Fair Melusine*, played with shaggy vigour and a pebbledash sound instead of seductive string tone. A shame, since the piece can seem so deft and pretty. It needs imaginative, catchy pacing, or all is lost to—"Not that theme again!" Wagner exaggerated the problem—*that's* the theme he pinched for his *Rheingold* Ondines.

Next Schubert's Sixth Symphony, the little C major, and the LSO warmed slowly. But Levine, for all his accuracy and efficiency (ensemble smack on the downbeat, string staccato light and jiggy), failed to woo the sunny, singsong, lilt—the Viennese charmer's manner?—which makes the slighter Schubert so endearing. He ended the concert spectacularly, however, with a thirsty, virtuoso performance of the second suite from *Daphnis et Chloe*. Levine is not one of those feline conductors weaving filmy veils over all and sundry, and it was an uncommonly explicit, rhythmic reading, fast and exposing, with particularly "*present*" choral singing.

No more delay—now the bouquet! Marilyn Horne was the principal attraction, singing a Rossini aria and five of Mahler's orchestral songs. Miss Horne stole the show with the aria—"Mura felici" from *La donna del lago*—and the incredible size and facility of her chest register. One minute, the low recitative ending with the voice as full and fat as a charabanc; the next, the aria's bravura beginning as daintily as tinsel fluttering. Mahler's Rückert songs were also beautifully controlled, the voice firm as flint against Mahler's fierce scoring for the end of "Um Mitternacht." Yet to me the performance seemed oddly cold, or unloving; and even that rather coy song "Liebst du um Schonheit" sounded calculated in its cajoling.

New cast for 'The Norman Conquests'

A new cast for Alan Ayckbourn's trilogy *The Norman Conquests* at the Globe Theatre will take over on June 2. They will be: Ronald Pickup, Sheila Ballantine, Ivor Danvers, Brigit Forsyth, Julian Holloway and Julia MacKenzie. The plays are directed by Eric Thompson and produced by Michael Codron.

Eileen Gray

by

WILLIAM PACKER

Eileen Gray is one of the small company of artists and designers that does us credit, yet which we neither encourage nor even acknowledge. She has lived in Paris since before the first World War, and her scope has always been international rather than local. Her architecture, and particularly her interior and furniture design, have had a seminal influence upon twentieth-century movements in design, especially so between the Wars. Her steel furniture of that time, her rugs and lamps, cups and saucers, seem now to be as beautiful as once they were simple, radical and effective. Now in her later nineties, she is still producing work of originality and distinction.

• Misses Monika Kinley and Prunella Clough have put together a small tribute to an important figure, a retrospective that takes in the rugs of the twenties, chairs of the thirties, collages of the fifties, and a magnificent cork screen made only a year or two ago. It all may be viewed by appointment at 54, Digby Mansions, Lower Mall, W6 (01-748 9395), and those interested in the wider aspects of the arte of our time should try to see it.

Record Review

The 20th century sound

by KEVIN HENRIQUES

"The new music, referred to as avant-garde Jazz colloquially, is to-day the pre-eminent cosmopolitan art form, reflecting more faithfully than any other the quality of life in the 20th century and the mutual dependence of the human community upon one another."

This rather ponderous, Deeply significant sentence, by one Z. Pallo Jordan, is part of the sleeve note accompanying one of the six albums reviewed here, four of which can be truthfully said to be out of the main stream of jazz. Generally speaking most of the jazz LPs considered on this page since 1970 have reflected the tastes of the majority of listeners and buyers. However, it is important that those who normally keep to narrow "Louis is King," "Bix forever" and "Bird Lives!" attitudes should at least be aware of "the new music" and hazard a listen to what the innovators and experimenters are doing. Who knows: as well as broadening their musical horizons and experience they might find something they like!

This has certainly been my experience over a number of years and while it would clearly be foolish—and dishonest—to aver that all the noises made by the somewhat over-exalted High Priests of "the new music" are of value and lasting quality, much is not unbearable to hear and is rewarding to examine. What is needed, paradoxically, is less idolatry and less rejection of the new sounds but a more balanced, unbiased approach to the directions "the pre-eminent cosmopolitan art form" is taking.

English alto-saxophonist and clarinetist Mike Osborne is a suitable starting point. He has been involved with many of the ground-breaking figures in British jazz and also leads his own trio which is featured on *Border Crossing* (*Ogun OG. 300*, £2.40), recorded live in a pub in Bishopsgate.

Possibly Osborne's most telling attribute is his controlled fluency, allied with a tone which, though never far from the higher register, is always warm but which never boils over the cauldron of intense musical expression. On seven tracks of varying length (six are his own compositions) he plays with constant invention, seemingly finding it easy to avoid any musical blind alley.

Anyone doubting the qualities of some contemporary jazz could do no better than open a moss-covered ear to the album's opening track, "Ken's Tune," a 4 min. 46 sec. delight enhanced by a resonant, bounding bass line from Harry Miller and crisp, firm but never obtrusive drumming from Louis Moholo. These two are not mere cyphers and illustrate one of the more attractive aspects of to-day's "new music." In that the rhythm instruments play a more positive, creative rôle and do not merely lay down an unwavering pulse.

As co-owner of the Ogun label Miller befittingly has an album to himself (Children at Play, Ogun OG 200, £2.40) which is slightly besmirched by having Z. Pallo Jordan's literary efforts as a sleeve note. Frankly an LP devoted solely to the bass could be daunting but by virtue of over-dubbing and other joys of modern technology Miller accompanies himself on flute and "percussion effects."

A lot of the effects are nothing more than squeaks, scrapings and other irksome noises—reflecting "the quality of life in the 20th century?" But Miller compensates for this with lovely slow, sweeping arco passages, with nifty, abrupt strokes of the bow and with bold pizzicato playing. For dedicated melodists there's a catchy little number, "H and H." All the titles are by Miller and, remembering his South African birth, it is unsurprising that a dish of irresistible kwela is served, on "Homeboy."

Another trend in jazz for some years now has been the determination, *against all odds in my view*, of allegedly wide-minded, open-eared musicians to effect an amalgamation of jazz and classical music which probably originates from Stravinsky and his *Ebony Concerto* (written for Woody Herman in the mid-1940s) or perhaps even earlier. The reasoning seems to be that a jazz band and symphony orchestra must somehow be brought together to produce a magic synthesis—called what I wonder? Symphojazz? One of the latest to be involved in such a foolish enterprise is that marvellous pianist Bill Evans who really should know better.

On **Symbiosis** (on the German MPS/BASF label 2122094-3, and at the moment available in Britain only on import from specialist dealers) he has collaborated with Claus Ogerman, a pianist/arranger of Polish origin, on a weightless piece of neither jazz nor classical music. A huge array of musicians, string players and jazz instrumentalists form the orchestra which plays Ogerman's composi-

Book Reviews appear on Page 18

tion. Bill Evans and his exquisite trio play improvised passages which could quite easily exist outside the context of Ogerman's writing.

Ogerman mentions, perhaps inevitably, on the sleeve note, Bartok and Stravinsky. He adds, rather ironically, "My only desire was to somehow 'reach the listener'." Just who "the listener" will be is a matter of conjecture because Bill Evans fans will find **Symbiosis** insipid and disappointing while classicists will discover little new to interest them except, one hopes, Evans' undoubted skill as a piano player.

Much more interesting and successful is a Swedish album, **Rainbow Sketches** (CAM, CMLP 5906, obtainable only on import) on which the Swedish Radio Jazz Group plays two extended compositions by the Czech-born bassist and composer Georg Riedel, now resident in Sweden, as well as Duke Ellington and Ornette Colman *tunes*.

Riedel owes no little in inspiration in his colourings and textures to Gil Evans and, like Evans, uses the normal jazz instruments with much imagination. The title track which comprises the first side, is in four movements. The first, in 6/8 time, has a flute solo with rhythm section and then the notable Swedish pianist Bengt Hallberg playing celeste as the piece builds up. The second movement is a blues with Gil Evans-type flute and muted trumpet writing, highlighted by a muted trombone solo in tailgate style plus some poetic trumpet work from Jan Allan, bringing to mind Miles Davis of yore. The third part is in medium tempo with a tenor solo against brass which again builds tension. The final movement is really a showcase for the excellent Jan Allan, a true lyricist of his instrument.

There are equally compelling solos on Riedel's Timomara-Variationer including a smooth baritone-sax solo by Erik Nilsson and later an unaccompanied solo by pianist Hallberg.

The remaining two albums are certainly more accessible to the average listener — though I hasten to say there is nothing "difficult" about the other four. The first is yet another MPS album featuring a violinist—every great fiddler alive has been recorded by this enterprising German company. **Huffin'n'Puffin'** (MPS/BASF BAP 5057, £2.50) spotlights the versatile Ray Nance on trumpet and voice, as well as violin, romping lightly through seven numbers of varying mood.

"He Huffed 'n. Puffed" is ascribed to D. Ellington, but it is an obscure one (Mercer perhaps?). Here he plays lovely open tone trumpet. His violin is out for "Some of These Days" which begins at medium pace then later doubles with Nance swinging aggressively in his own way which owes little to other jazz violinists. He sings "I Can't Get Started," much inspired by Louis Armstrong but with a lot of originality in his own phrasing. But it is on "Struttin' With Some Barbecue" that he really evokes Louis the Trumpeter. Altogether the album gives a life-like sound picture of the many talents of Ray Nance.

Finally, no less enthusiastic mention (albeit some months after its release) of an LP featuring the man whose name identifies the most famous jazz club in Britain. Often, when more well-known attractions are playing at his club, Ronnie Scott will front the supporting group, usually drums and organ. Too often the clientele is unconcerned to appreciate that Scott remains one of the best tenor-saxophonists in the country and that, with drummer Bobby Gein and organist Mike Carr, he leads one of the most listenable small groups around.

Scott at Ronnie's (RCA LPLI 5056, £2.22) is a good sample of the type of jazz they play: all moods, always full-blowing, always excellent. Scott himself plays probingly, with plenty of feeling. Gein is always more than a functionary and Mike Carr is an accompanist of the topmost quality. His fleet bass pedal work has for long amazed me—listen to it on "Lou's Piece."

Rowan

Martin Naylor by WILLIAM FEAVER

The stage is set, in Martin Naylor's show at the Rowan, with plot and action confined to the scenery. Six flats, in the theatrical sense, extend from the walls towards the centre of the floor, slicing the gallery into compartments. One of them, at the far end, is painted black, but you don't see this at first, only the width of the narrow wooden sheet and the shadow it casts to one side. The rest are far more obtrusive, lined up and vying for attention: a series of hybrids, painted, drawn upon, complicated with accumulations of bits and pieces.

The first grand coup de théâtre impression gives way to curiosity about these sprouting clusters which almost all appear on the nearside of each flat. They spark each other off, one after another, and are reiterated in the drawings downstairs. Passing them by, noticing from the corner of one's eye the way the profiles shift and alter, the whole assembly fits together nicely and raises further associations.

There is, as usual in Naylor's work, a deceptively makeshift air as though the detailing had simply come about doodle-fashion. He likes the idea of producing surfaces, with a history to them, scrawled, scratched and dabbed, every marking a reminder. I have sometimes felt that these procedures were a bit too contrived, as though he were emulating a repro-furniture maker, laboriously giving each object a well-used finish. But there's more to them than that. They serve as punctuation marks and as signs, guiding hand and eye over previously uncharted surfaces.

In these recent objects they also supply cross-connections, linking painting, drawing construction, and throwing out hints about their art historical antecedents. And whereas much of Naylor's previous work has been little more than tentative (and made a virtue of it) this lot seems altogether more assured. Though the markings remain cryptic they no longer look like titivations and each object, as a whole, appears resolved.

It is difficult in gallery or even studio circumstances to make out whether each of them is self-sufficient. I suspect that they need to be seen as a sequence or, at the very least, in pairs. For without a certain amount of repetition and interplay the detailing is likely to turn a little perfunctory. As they stand the six pieces are dramatic: you half expect to come upon Dr. Caligari gibbering among their neo-Expressionist nooks and shadows. They are, in effect, an installation rather than a show of items; and what gives them strength in numbers may well prove lacking when they come to be dispersed.

David Hillman (The Shepherd), Peter Knapp (King Roger) and Janet Gail (Roxana) in Karol Szymanowski's "King Roger" by the New Opera Company at Sadler's Well's Theatre. Ronald Crichton's review of last night's British premiere will appear in to-morrow's paper

WORLD TRADE NEWS

Danish machinery export campaign in China

BY HILARY BARNES

COPENHAGEN, May 14.

DENMARK'S EAST ASIATIC Company, which probably does more trade with China than any other company in the world, is about to launch a new export campaign in the People's Republic, this time for cement-making plant and food processing machinery and equipment. Both campaigns will take place in co-operation with Danish companies, but the Danish side of East Asiatic's trade with China is only a fairly small part of the whole.

The company is regarded as the largest trading unit in Europe, with a 1974 turnover of Kr.18.7bn. (£1.4bn.). It has offices all over the world, including four—in Copenhagen, New York, Vancouver and Hong Kong — which specialise in trade with China.

East Asiatic acts as agent for many leading European and U.S. companies such as Du Pont, International Harvester, Cessna and Sweden's ASEA. Since the thaw in relations between China and the U.S. the company has laid special emphasis on getting trade moving between the two countries.

Officials declined to put a figure on the level of trade with China, partly because it is difficult to provide a meaningful assessment and partly because they feel the need for discretion. But the figure would be "astronomical" if all the trade with China in which East Asiatic has a hand was added up, an official said. For example, the company has been responsible for handling about two-thirds of Canada's wheat sales to China in recent years, although it only receives a commission.

The strong position is partly attributable to the fact that it never pulled out of China. Even at the height of the cultural revolution its ships still plied Chinese ports. "We are unusual in that we did not give up when other companies did," Mr. Mogens Pagh, chairman of the Board and chief executive, told me to-day.

No company to-day is allowed a permanent office in Peking, but the authorities there willingly renew residential permits of officials from companies of which they approve. For the past five years, therefore, East Asiatic has had two men more or less permanently based in Peking.

Two-way deals

The company has a long history of trade with China, buying from as well as selling to China. This assists East Asiatic because the Chinese like to have some sort of balance in their trade with individual companies. "It is always useful to be able to point out when trying to sell something to the Chinese that we have been buying from them as well," said Mr. Pagh. Textiles, soyabeans and oils are among the traditional exports from China handled by East Asiatic, but to-day the product range is considerably wider.

Although a substantial proportion of the West's trade with China is handled by the company, it considers it is only making a start. "We are working for the long-term. What we get out of our trade with China to-day is quite modest, but we look forward to a time when there will be considerable potential in the market," explained Mr. Pagh. "It is a work of patience."

Symposia, or as the Chinese prefer to call them technical exchange meetings, are the fashion in doing trade with China to-day. This will be the method when the company launches its new export effort.

East Asiatic and F. L. Smidth, the Danish company which is among the world's leading suppliers of cement making plant, have arranged a ten-day symposium on cement technology, factories and equipment. Among food processing plant which will be presented in coming months are slaughter houses, fish meal factories, freeze and spray drying plant, sugar glucose, ice cream and chocolate manufacturing plant. Past symposia, always arranged in cooperation with the State trading corporations in China, have often resulted in substantial orders.

The company has never expected an explosive development in China's foreign trade, if only because of the Chinese principle that bilateral trade must be in balance and the reluctance to finance foreign trade with credit. But East Asiatic does not expect a big setback to trade with China in the wake of the oil crisis. It expects that the value of China's foreign trade will rise from about $10bn. last year to around $14bn. this year.

Credit problems may hinder U.K. trade growth with Poland

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT

BRITAIN'S TRADE with Poland, its largest East European customer, seems set for further growth following the recent visit to Warsaw by Mr. Peter Shore, Secretary for Trade, in the opinion of officials of both sides. It was decided to double Anglo-Polish trade in the coming years, although credit-related problems could act as a brake on expansion.

The main obstacle is Britain's unwillingness to offer Poland a credit agreement similar to that extended to the Soviet Union in February, when Mr. Harold Wilson, the Prime Minister, guaranteed the Russians £950m.-worth of export credit at heavily subsidised rates.

A request for a similar deal was turned down by Mr. Shore in his talks with the Poles, who were headed by Mr. Jerzy Olszewski, the Foreign Trade Minister. Polish requests for finance to meet the local costs of large projects currently under negotiation with British companies were also turned down.

Western pact

The British side gives as its reason the so-called gentleman's agreement between Western countries to keep subsidised rates above 7.5 per cent. The Russian deal was said to be a "fact of life" following similar deals by the French and Japanese.

The extent to which this refusal will weaken Britain's chances of winning some of the large contracts Poland is currently negotiating with the West remains to be seen. But Britain has assured Poland that it will keep its credit rates competitive.

A three-company consortium headed by Petrocarbon Developments, a company with previous Polish experience, is negotiating to build a PVC plant at Wloclawek. The foreign content of the plant will be about £105m., but the Poles want subsidised finance for local costs as well as for equipment and "know-how." A French-Japanese consortium and a German company are also competing for the order, and the bidding is expected to test Western solidarity concerning credits.

President Giscard d'Estaing of France is expected in Warsaw this summer, and there are fears that such a top level contact could sway the Poles in favour of France.

The second project concerns a pulp and paper mill at Kwidzyn, which the Poles say could produce contracts worth $500m. Walmsleys of Bury, again a company with East European experience, is leading a consortium which has been discussing the project for some time.

One reason for the delays is the Poles' changing requirements, but a decision is now expected this summer or autumn on delivery of four machines. The competition here is from Scandinavia.

Also under negotiation is the second phase of the redevelopment of the Ursus tractor plant, for which Massey-Ferguson won the main order last year. This Phase, worth about £25m., would be for an extension to manufacture six cylinder engines.

An announcement will be made shortly on the British Steel Corporation's contract to buy coking coal. This is expected to be for 6.5m. tons to be delivered up to 1980, in return for steel products. The National Coal Board may also buy Polish coal technology following the visit to Warsaw of Mr. Derek Ezra, its chairman, earlier this year.

A possible new area for British sales has opened up with the Poles' decision to step up beef production at the expense of pork. This restructuring of agriculture, which forms part of a major Polish drive to get food production on a sounder footing, could hold opportunities for British equipment and "know-how" in the intensive farming field.

Finally, the British Petroleum contract to deliver 3m. tons of oil a year for ten years to Poland, negotiated in 1971, comes into operation this summer with the scheduled completion of the Gdansk oil refinery on the Baltic coast. Despite the lapse in time and the upheavals in oil markets, the contract is understood to be going ahead at new world prices which, including the heavy cost of transporting crude to the Baltic, could cost Poland about £14m. a year.

This last item will further unbalance Poland's trade with Britain, which was £28m. in the red last year. Pressure is mounting for further British purchases from Poland. The need for this has become more acute with Poland's declining bacon sales following Britain's entry into the EEC, although by a curious twist of the Common Agricultural Policy, Polish sales of bacon to EEC members are currently being subsidised by Brussels.

Metals

The best opportunities seem to lie in non-ferrous metals, particularly copper, which Poland is developing. But the British side admits to some doubt as to what major purchases Britain could make from Poland.

The picture could become clearer when Mr. Olszewski pays a return visit to London, probably in July. He will discuss an industrial and economic co-operation agreement. Some details of Poland's next Five Year Plan, which starts in 1976, should emerge at this meeting.

Guthrie considers Indonesian venture

By Our Asia Correspondent

GUTHRIE MANAGEMENT SERVICES is considering setting up a joint venture company in Indonesia to help potential foreign investors find the easiest way through the red tape of setting up investment project in the country.

The concern, part of the Guthrie trading group, already operates a management service company in Malaysia, which it believes is the only one offering total management services in the ara.

Mr. J. T. Shaw, director and general manager of Guthrie Management Services, said yesterday in London: "We take on all the headaches of a company which wishes to set up in Malaysia." Guthrie provides pre-investment advice, help in clearing the way to get investment approval, assists with site selection and negotiations for setting up a factory, and recruits local staff.

The concern has already helped several West German companies to set up factories in Malaysia, including a Siemens components plant at Malacca.

Mr. Shaw estimated that if a foreign company had to do all the work itself not only would it have been much more expensive but the process of getting the necessary official permission and setting up the plant would have taken months longer.

British companies, apart from the British-based multinationals, he added, seemed much less inerested than the Germans in exploring promising investment opportunities in the South East Asia region.

IN BRIEF

German exports

West German exports to the Soviet Union increased over 5[…] per cent. in the first quarter of 1975 compared with a year earlier, the Economics Ministry states. Exports rose 52.7 per cent., while imports from Russia were only 1.1 per cent. more. Shipments to the Eastern Communist bloc as a whole were 23[…] per cent. higher, while imports increased 6.4 per cent.

Credit to Yugoslavia

Barclays Bank International has arranged an £8m. line of credit to Yugoslavia through the Yugoslav Investment Bank to finance further purchases of U.K. capital equipment. Britain provides […] per cent. of Yugoslav capital equipment imports from the EEC.

ICC Congress

The 25th Congress of the International Chamber of Commerce opens in Madrid on June 1[…] bringing together 1,500 businessmen from 60 countries. The theme will be "Market Economy—more than Competition and Profit." The theme is sub-divided into four sections, including the growing social responsibilities of business, and consequences of Government interference in the market economy. Sir Reay Geddes, chairman of the British National Committee, will lead the U.K. delegation of 45.

Contracts Abroad

STORK-WERKSPOOR SUGAR (VMF Stork group) will build a £68m. cane sugar plant with a refining capacity of 20,000 tons of cane per day for Karun-Arg[…] Industry, Tehran. Commissioning is set for 1977. The refinery is claimed to be the world's largest.

COSTAIN AUSTRALIA has won seven orders in Sydney worth £6.5m. for a hospital block, a public school, gymnasium and college extension, government offices and a hostel.

SWISS MACHINERY INDUSTRY

Strong franc hits competitive power

BY NORRIS WILLATT

SWITZERLAND'S MACHINERY industry, the largest in the country both in terms of output and exports, is suffering from the appreciation of the Swiss franc in terms of the currencies of its competitors, including Britain, West Germany, and the U.S. Now that this situation is being compounded by international recession and stagnation in the domestic economy, 1975 is proving to be a difficult year.

Movements in exchange rates alone have increased the prices of Swiss machines, on average, by 14 per cent. in the case of exports to West Germany; by 21 per cent. to France; 26 per cent. to Britain; 29 per cent. to the U.S.; and 37 per cent. to Italy, according to the Swiss Bank Corporation. That is without taking into account the impact of dearer materials, most of which the Swiss have to import.

As it happens, this development is of great significance for the whole Swiss economy. The machinery industry exported about 70 per cent. of its output, worth Sw.Frs. 12.5bn. (£2bn.), in 1974 accounting for 35 per cent. of total shipments. For some sectors the export percentage was even higher—80 per cent. in the case of machine tools and 90 per cent. for machines used by the textile, paper, food and flour milling industries.

Because of the long lead-time between the placing and delivery of orders in the capital goods industry, the effect of the changed situation is not immediately evident. Thus, on the basis of a survey by the Society of Swiss Machinery Builders, turnover of the industry in the fourth quarter of 1974, at some Sw.Frs.3.8bn. (£640m.) was higher than the Sw.Frs. 3.4bn. (£570m.) at the same point in 1973.

Orders were also considerably higher at Sw.Frs. 14bn. (£2.3bn.), compared with only Sw.Frs. 11.2bn. (£1.8bn.). Where there was an adverse trend was in the volume of new orders, which fell to Sw.Frs. 3.7bn. (£620m.) from Sw.Frs. 4.05bn. (£675m.). On the other hand, new export orders booked were slightly higher at Sw.Frs. 2.21bn. (£350m.).

However, again according to the Swiss Bank Corporation, the overall figures tend to obscure certain particular adverse trends. For example, the new orders booked for textile machinery, on the basis of the results of ten leading companies, were 20 per cent. lower in the fourth quarter than in the third; and 43 per cent. down compared with the second. There had also been a number of order cancellations. Demand for paper machinery in the fourth quarter was 30 per cent. lower than the third, and a similar drop had been experienced by food machinery.

A more pointed warning of possible problems ahead lay in the reduction in the time lag between the placing and promised delivery of orders. By the final quarter of 1974, machinery makers as a whole had enough work on hand to keep their factories busy for a little more than nine months. A year earlier, they had a little over ten months' backlog on hand.

In certain industries, the period was below the average. For example it had been reduced to 3.6 months from 5.7 months for iron and steel making machinery; and to 8.2 months from 9.1 months for machine tools. Even in industries with an extensive time lag for delivery, the trend was similar. For instance, in the case of textile equipment, the average backlog time was down to 16.6 from 17.4 months.

The most telling evidence of a changed climate is to be found in the attitudes of businessmen. By the end of 1974, those in the Swiss machinery industry were markedly less confident than even three months earlier. A survey of 542 companies by the Machinery Builders' Association last September found 265 (45 per cent.) regarding the outlook as good and 187 (37 per cent.) satisfactory. Only four (1 per cent.) called it bad.

Three months later, however, at the end of the year, only 1[…] companies (40 per cent.) still thought that prospects looked good, and 209 (32 per cent.) considered them only satisfactory. The biggest change was in the number who found themselves in a situation of uncertainty, which had increased from 82 (17 per cent.) to 136 (26 per cent.). The percentage of those who thought the outlook bad had doubled to 2 per cent., or 19 concerns.

The industry is not only directly hurt by the rise in the price of its products on world markets by reason of the strength of the national currency. It also suffers from the more competitive prices of the products of other countries whose currencies have declined. In this respect, a new aggressiveness is noted among U.S. machinery manufacturers, important competitors of the Swiss, and for whom the decline in the value of the dollar by as much as nearly 30 per cent. against the Swiss franc has created a very favourable situation.

> The Swiss National Bank has announced a new exchange rate facility for Swiss textile and clothing exporters. It foresees National Bank forward exchange transactions on behalf of the two industries aimed at guaranteeing foreign customers the same price for subsequent orders as for an initial one. The export risk guarantee system does not cover losses sustained in honouring subsequent orders at unchanged prices. Part of the foreign orders gained by the highly seasonal textile and clothing sectors are placed at fairs and exhibitions, whereas follow-up orders are usually accepted at the same price. With sharp exchange rate fluctuations producers run the risk of losses on second orders.

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AMERICAN NEWS

Quebec PM stands firm against threat to Olympics

QUEBEC CITY, May 14.

QUEBEC PREMIER Robert Bourassa told the province's National Assembly yesterday that he was prepared to sacrifice the 1976 Montreal Summer Olympic Games if necessary to restore trade union order in the province.

Mr. Bourassa told reporters outside the National Assembly that the Olympic Games would "either be held in 1976, as I am convinced they will, or they will not be held at all. Social order comes before everything, all events, no matter how important they are."

The premier was replying to questions about legislation introduced last Friday to restore order to the province's construction industry. Mr. Bourassa's liberal Government yesterday proposed a motion invoking emergency procedures to allow the assembly to give top priority to legislation which would put four Quebec Federation of Labour (KFL) unions under trusteeship.

Introduction of the bills has sparked walkouts by about 5,000 construction workers at the Olympic site in Montreal and Louis Laberge, President of the QFL, has warned that the games may have to be held in 1977 if the measures are written into law.

But Mr. Bourassa said yesterday that he had talked with an official of the International Olympic Committee in Rome who had told him that "there is no question of postponing the games until 1977."

● In Rome, Lord Killanin, President of the International Olympic Committee (IOC), today denied reports that the IOC held an emergency meeting during the night about the statement by Premier Bourassa.

"We will await the normal report of the President of the Organising Committee, Mr. Rousseau and the Mayor of Montreal during IOC meetings in Lausanne next Thursday. No decision will be made before then," he said.

M. Simon Saint Pierre, executive Vice-President of the Organising Committee, said: "Of course we were disappointed when the strike began last week, and the situation could become critical. But we have the assurance that the Provincial Government is fully aware of the situation and is doing its best."

Mr. James Worrall, Canadian member of the IOC, said that a postponement until 1977 was impossible. "I told Mr. Bourassa this is not a question at all. The Games will not be postponed. I repeat that the rules of the IOC are very clear on this."

He added that the IOC was not considering any alternative sites. "There are no contingency discussions at present," he said.

There have been unconfirmed reports that Teheran and Los Angeles have been suggested as alternative sites, or else that the games might be split among various Canadian cities.

Agencies

Firestone may have to recall 1m. tyres

WASHINGTON, May 14.

THE TRANSPORTATION Department has made its expected announcement of an initial finding that Firestone Tire and Rubber's bias-ply steel belt 500 tyres do not comply with federal safety standards.

The Department's National Highway Traffic Safety Administration said that its finding is based on tests which indicate the tyres do not meet endurance and high speed performance requirements.

The Agency will hold a public hearing on June 12 and could then order Firestone to recall nearly 1m. tyres involved in the case. The tyres are no longer being produced.

It is understood that in Safety Administration testing of the Firestone tyre for high-speed and endurance requirements, 43 of 80 tyres failed the test.

In Findlay, Ohio, the Cooper Tyre and Rubber Company said that it was recalling 9,494 passenger-car tyres because "some may be prone to failure if operated under extreme conditions."

General axed in Argentine

By Our Own Correspondent

BUENOS AIRES, May 14.

THE REPLACEMENT of the Army's commanding general, Leandro Enrique Anaya, by General Alberto Numa Laplane, who will be sworn in to-morrow, has opened new uncertainties on the Argentine political scene.

General Laplane is closely identified with Jose Lopez Rega, who apparently with this top-level shift in the Army command has gained still more power. Sr. Lopez Rega is President Maria Estela Peron's private secretary, closest adviser and the most controversial person in Government. Astrologist Lopez Rega is widely referred to here as "The Sorcerer."

The Army Command in a communique to-day confirmed that Defence Minister Adolfo Mario Savino has asked for General Anaya's retirement from active service.

Canada Ministers fail in wages talks

BY VICTOR MACKIE

OTTAWA, May 14.

FINANCE MINISTER John Turner and Labour Minister John Munro have failed in critical attempts to convince the labour movement to agree immediately to voluntary wage restraints to beat inflation. Both Government and labour sides instructed their working groups to continue to meet on technical points under discussion.

Mr. Turner, who wants pay rises limited to 12 per cent. a year, said that he would evaluate the opposition and report back to the Cabinet. He is scheduled to meet with business representatives to-day.

The Finance Minister is planning a new anti-inflation Budget for June 2 or perhaps June 9. Both he and Mr. Munro said after their meetings with Labour that at least the latter was adopting a positive role in the talks and intends to continue discussions.

Mr. Turner in a tough public speech at the weekend said that it was to be either restraints as proposed by the Government or he would have to consider adopting alternatives. The two alternatives left open are mandatory controls or a harshly restrictive budget with higher taxes and tighter credit. Mr. Turner has already warned the Cabinet that he may have to recommend to it soon the imposition of a compulsory control plan because Canada is no longer fighting an inflation imported from overseas but its own domestic pressures, such as soaring wages and prices.

● The Canadian dollar was down to 96.66 cents (U.S.) in the foreign exchange market on Tuesday. Earlier on Monday it was down to 96.48 U.S. cents, the lowest level since it was freed to float in June, 1970.

Its decline has worried Finance Department officials and is recognised as a reflection of the general state of the Canadian economy, now wrestling with severe inflation. Heavy buying of U.S. dollars for future delivery by commercial interests is believed to have been behind the unprecedented drop on Monday.

Need for foreign cash

BY OUR FOREIGN STAFF

THE CANADIAN High Commissioner in London, Mr. Paul Martin, yesterday defended his Government's policy towards foreign investments.

The recent Foreign Investment Review Act was not intended as a barrier to foreign capital, but only to "regulate the orderly development of the nation's resources," he told an audience of the Canada-U.K. Chamber of Commerce. Indeed, during the next decade, Canada would need $115bn. for the development of new energy sources alone, and another $600bn. for other capital investment, he said.

"If Canada is to maintain the rapid pace of economic development it has set for itself, it must attract far more direct investment capital than is available from within the country," Mr. Martin said. At the same time, his Government wanted more processing of raw materials to take place in Canada. The legislation would take that factor into account, as well as participation by Canadians and the likelihood of increased exports, in assessing potential investments or take-overs.

"The Canadian Government has now decided we will no longer give carte blanche for Canadian resources to be shipped abroad in raw form, when they can be processed competitively by Canadians in Canada," he said.

Dominican Republic President backed

RANKING officers of the Armed Forces have pledged their "strict respect" for the authority of President Joaguin Balaguer of the Dominican Republic, whose Government has been shaken by the resignation of the four top military leaders.

The commanders of the army, navy and air force and the armed forces chief of staff resigned at the week-end

AP-DJ

LATIN AMERICAN GROWTH STRATEGY

The poor to fight poverty

BY HUGH O'SHAUGHNESSY, RECENTLY IN PORT OF SPAIN

LATIN AMERICA, one might say, is worried but not frightened. Fearing a new monetary crisis which could make nonsense of its plans for growth, and despairing of effective outside help for its problems of development, the region, with a confidence born of its new industrial power and its importance to the rest of the world, has decided to pull itself up by its own bootstraps.

Such, in the briefest terms, is the outcome of the deliberation of the region's most important think tank, the UN Economic Commission for Latin America (ECLA) which has just ended its 16th session in Port of Spain. As Sr. Enrique Iglesias, the young Uruguayan executive secretary of the commission, reminded delegates last week, Latin America has transformed itself in the past decade or so and is no longer a part of the world whose fate the developed countries could safely ignore.

Since 1950 for instance the total gross regional product has almost quadrupled to $220bn.; over the same period steel production has increased 15-fold and power production eight-fold. By 1985 Latin America's economy should have doubled in size again, making the region comparable in economic weight to the European Community of 1950. By the end of this decade the annual increase in manufacturing production will be equal to the total production of the region's factories in 1950.

Latin America is importing goods worth $30bn. a year, and in terms of a market for capital goods, consumer durable and chemicals it is several times more important to the U.S. than is Japan, for instance.

Despite this growth the region has not yet found a way to satisfactory development. For example a third of its 315m. inhabitants live in extreme poverty, the majority of them in the countryside. Financially, there exists the possibility that the region will simply run out of money to pay for the imports it needs to maintain its growth. Leaving aside Ecuador and Venezuela, the oil exporters, the rest of Latin America has been suffering a sharp reversal of its terms of trade as the prices of commodity exports have fallen and the cost of imports risen. The non-oil trade deficit shot up from $600m. in 1973 to $8.7bn. last year. If invisibles are taken into account the current account deficit rises to $13bn. or half the value of exports. Some countries face the prospect of earning from the exports in the next few months *only half the value of the goods* they need to import.

In the face of this situation which has been aggravated by continuing trade barriers against the region's exports, particularly because of the U.S. Trade Act and the unwillingness of the Soviet Union to buy many of the region's exports, Sr. Iglesias and the commission have suggested that Latin America must find new strategies for development. It must replace the import substitution which gave the region a basic industrial structure in the 1940s and the early 1950s, the intrazonal free trade schemes which provided stimulus in the 1960s and the export-led growth which was a boost to the Brazilian economy, in particular, till that country started to falter recently under the weight of foreign debts.

The new strategy, it was suggested in Port of Spain, should aim at the fullest possible recourse to the region's own resources.

The new strategy, it was suggested in Port of Spain, should aim at the fullest possible recourse to the region's own resources. The main driving force of the economic system has fundamentally come in the past from the consumption by high and middle income groups of society. This has its limits, and tends to dry up; the incorporation of the masses in the production and consumption process is bound to establish a new dynamism with side and cumulative effects on the system as a whole.

"It is this active incorporation of the poor in the production process which will help to solve a social and economic problem," Sr. Iglesias argued in his opening speech in Port of Spain. But, he went on to say, the process of increased self reliance should not end there. Regional integration which started with the simple tariff cutting ideas of the Latin American Free Trade Area, now stalled, should be amplified, as is happening among the six nations of the Andean Pact, into the concept of industrial programming on a regional scale. *Latin America will have to pool* its efforts to establish industries catering to the whole region, particularly in the field of chemicals and fertilisers, capital goods, and intermediate goods which now make up 65 per cent. of Latin America's industrial imports.

As regards the outside world, Sr. Iglesias suggested that the region must capitalise on the fact that it is such a large purchaser of the developed nations' goods and use the fact as a major negotiating weapon in its dealings with these countries, not least with the EEC which should give Latin America the privileges it has given its former colonies through the Lomé Convention.

Having assimilated the proposals, the sceptic might well ask what if any relevance it has to the practical world of the manufacturer, trade or banker, within or without the region. Has not ECLA in the past been no more than an inconsequential sounding board for a more or less fashionable procession of ideas which have been taken up and discarded at the whim of the executive secretaries from Sr. Raul Prebisch, the Argentine patriarch of ECLA, to the present incumbent? In any case is not ECLA too fragile an organ, lumping as it does Brazil, the Spanish-speaking republics, the English speaking Caribbean world, not to mention the U.S. and Canada, and Britain, France, and the Netherlands, the colonial powers? The political vulnerability of ECLA was certainly demonstrated clearly when the difference between Cuba, Brazil, and Chile flared up into a bitter verbal row and when the host, the increasingly erratic and unpredictable Dr. Eric Williams, Prime Minister of Trinidad and Tobago, started a quarrel with the Latins which scared off a number of distinguished visitors who might otherwise have come to Port of Spain.

But fortunately the conference recovered its balance and ended up with some very concrete proposals for action. The first, mentioned by Sr. Iglesias, supported by the now increasingly radical Sr. Prebisch, and contained in the pre-conference report of a committee of high level government experts who met in Bogota in March, was the setting up of a number of Latin American multinational companies to get industrial integration going.

ECLA has welcomed the establishment of a multilateral shipping line within the Caribbean and is working closely with the UN development programme and its regional director, Sr. Gabriel Valdes, the former Foreign Minister of Chile, on the groundwork for another two big Latin industrial American companies, likely to be state-financed.

At the same time the commission pledged its support for new steps with the rest of the developing world to bring under closer scrutiny and control the activities of the transnational enterprises of the developed world and sooner or later to subject them to a code of conduct.

In the financial sphere the executive secretary launched what will doubtless come to be known as the Iglesias Plan. He argues that both the Latin American countries themselves and their supplies have a strong interest in not allowing the region's growth process to falter because of a monetary crisis brought on by a sharp movement in its terms of trade. Thus he put forward the idea of a $4bn. safety net of loans and guarantees to be offered by the international financial institutions and the developed countries, and an extension of the swap arrangements which are beginning to be worked out among Latin American central banks themselves. The $4bn., which ECLA sources are hopeful might be put together by the end of the year, would represent about one third of the average current account deficit of the non-oil producers, as estimated for 1974-76.

The suggestions for Latin America multinationals and for a safety net indicate that ECLA is beginning to mix economic analysis with ideas for concrete projects. At the same time the holding of one of ECLA's biennial sessions in a country of the English speaking Caribbean also underlines the increasing collaboration of the latter area with Latin America proper. Sr. Iglesias's ideas for industrial integration and for special new payments assistance were mirrored in a similar scheme for the Commonwealth Caribbean floated by Mr. William Demas of the Caribbean Development Bank, and by the Secretary General of Caricom.

Meanwhile the developed members of the Commission had little option but to sit back and accept the flow of Latin argument swirling around them, a fact which seemed to be causing some unease in Washington. The U.S. delegation, after making a conciliatory first speech, demanded a vote on the Bogota document, the basic plan of action of the conference, in which it found itself in a minority of one. The Europeans voted in favour of the ideas as expressions of Latin intentions, but reserved their own positions.

One final question mark remained as the delegates dispersed from Port of Spain: how many Governments are there in Latin America which are really committed to the idea of eradicating poverty and redistributing income, which Sr. Iglesias suggested as the key to a new dynamism, and how many can overcome their mutual suspicions in order to cooperate in new regional wide industrial conglomerates?

EUROPEAN NEWS

Lisbon freezes most wages, raises minimum by 21%

BY JANE BERGEROL LISBON, May 14.

THE GOVERNMENT has announced a 21 per cent. increase in the national statutory minimum wage, to take effect from June 1; set a ceiling of Esc.35,000 net on monthly wages (roughly £600 a month), and frozen all wages and salaries above £200 a month until the end of 1975.

In a series of further nationalisations, all provided for in the original economic reform programme, tobacco, cement and paper pulp companies have been nationalised, except for those shares under foreign ownership. The CUF group, Portugal's largest conglomerate, is hit under all three sections with interests in the Celbi Pulp Company, the Leiria Cement works and in tobacco groups.

Timing of the announcement of the measures is presumably linked to the troubled labour front. The rise in the national minimum wage was forecast by the Minister of Labour on May Day, but its announcement has been held back, presumably for use as a conciliatory carrot to pressure some of the more restive unions into calling off strikes planned for this week and next. Civil servants are also to receive pay increases.

For the nation's middle classes, the long-awaited announcement about maximum permissible salaries has come as something of a damp squib. The allowance of over £7,000 a year is more than most had anticipated. What will hit the middle classes far harder is the salary freeze until the end of the year.

Inflation

There are signs that, after fairly well controlled price rises last year, the inflation spiral is picking up speed, with OECD figures putting Portugal's March rate at 1 per cent. compared with an annual average rate of 9 per cent. previously.

More importantly, Portugal's private industry must decide how it is going to meet its higher wage bill. A decree published here this week makes it illegal for any concern which has received government credits to go bankrupt. Since virtually every Portuguese company, great or small, has had either before or since April 25, 1974 some form of state assistance, subsidy or credit, this makes it almost impossible for any employer to declare himself bankrupt.

While clearly a measure to stave off further unemployment, already at the 10 per cent. mark, the bankruptcy ban will not delay these higher wage packets.

The confederation of Portuguese industry, clearly stunned by the size of the increase, would not comment on the measures to-day. But Dr. Alvaro Cunhal, the Communist Party Secretary General who has been pressing for the increase for weeks now, was already talking over a month ago of over 300 companies being in severe difficulties, with a payroll of more than 200,000 workers between them.

It would seem obvious that more of the medium and small firms will find themselves in an impossible position and be forced to go to the government and ask for state intervention. This may or may not entail further nationalisations. The Armed Forces Movement (AFM) leaders are known to believe that it is time to sit back and digest the already lumps of nationalised industry they heaped on their plates since March 11.

Basque gun battles kill Guardia Civil officer, 'ETA members'

BY ROGER MATTHEWS MADRID, May 14.

ANOTHER four people were killed during gun battles in Spain's Basque region early to-day, among them a lieutenant in the para-military Guardia Civil. The other three were a married couple and a young man, who, police said, were involved with the Basque separatist organisation ETA.

Emphasising the rising tide of violence in the provinces of Guipuzcoa and Vizcaya, there were overnight attacks on properties belonging to suspected Basque nationalist sympathisers. At least two bomb attacks and a machine-gunning were reported, bringing to more than 30 the number of incidents within a week.

Three priests have also been viciously beaten, one critically. He had been arrested by police on Thursday under the 18-day-old State of Emergency, which permits suspects to be held indefinitely without charge or trial. Two days after his arrest he was transferred to hospital suffering from badly damaged kidneys and internal bleeding. He has been given the Catholic Church's last rites and a doctor was quoted as saying there was little medically that could be done to save his life.

Newspaper reports in Madrid to-day did not mention that the priest had been in police custody and added that he had stated from his hospital bed that he did not wish to identify his assailants.

Formal press censorship has been introduced in the Basque region, and several journalists have been hounded out of the area by repeated telephone calls threatening their safety. There is considerable anxiety in Madrid that more than 30 attacks by supposed Right-wing vigilante groups should have been carried out without any apparent police moves. With so many police and Guardia Civil now in the region and with the main towns under constant vigilance it is certainly remarkable that no detentions have been made.

Generals

Senior generals are undoubtedly watching the situation closely. The very real fear and tension that exists in the Basque country is re-opening old wounds at the moment when the country urgently needs to sink its past differences.

Any suspicion that the Government is even marginally failing to maintain total control over the police could have profound consequences. So far the introduction of the State of Emergency has led to a serious deterioration of the situation and has played directly into the hands of the ETA, which is presumably hoping for just such a response.

To-day's four killings took place near the town of Guernica, though details are scarce. Two ETA members allegedly opened fire from a car on a Guardia Civil barracks. Later a house was surrounded and in subsequent shooting the Guardia Civil officer and the married couple were killed. A third gunfight brought the death of an ETA activist and the wounding of another who escaped.

Four other people have also been arrested as a result of the incidents.

Hundreds of riot police were in action this morning in Madrid, breaking up demonstrations by more than 1,000 students at the university. The students shouted slogans in support of the Basque clergy, also mentioning Bishop Anoveros of Bilbao, who has been daily visiting the critically injured priest.

Official attempts were made last year to expel the Bishop from the country, and he was placed under house arrest for writing a sermon that urged a greater degree of freedom for the Basque language and culture.

Teng warns U.S.-Soviet rivalry will lead to war

By Giles Merritt

PARIS, May 14.

STRESSING the need for European unity and strengthened ties between Europe and the People's Republic of China, Mr. Teng Hsaio-ping, the Chinese Vice-Premier, forecast here that the rivalry between the U.S. and Soviet Union will one day end in war.

Speaking at a dinner given in his honour by French President Valéry Giscard d'Estaing, which followed soon after a wide-ranging two-hour meeting between the two leaders, Mr. Teng singled out the Soviet Union as the chief threat to world peace and underlined his earlier comments to French Premier Jacques Chirac that the Soviet-backed European Security Conference in Helsinki this summer deliberately threatens European independence.

Mr. Teng emphasised that even when China develops fully to superpower status, there was no question that it would attempt to impose the same hegemonies throughout the world as the U.S. and Soviet Union. He also said that the apparent "entente" between the two major powers was only superficial and that both sides were still seeking to extend their respective domination of other countries.

Although Mr. Teng's six-day official visit to France, which began on Monday, has already resulted in several straightforward bilateral agreements—notably the decision to hold regular consultations at Foreign Minister level—his chief pre-occupation seems the discussion of world strategic questions.

This afternoon he again met President Giscard d'Estaing at the Elysée Palace, which for the second day running was flying the Red Flag, to end their talks. Mr. Teng begins a provincial tour to-morrow, returning to Peking on Saturday.

The most revealing indication of Mr. Teng's views has been his referring to China's decision to send an ambassador to the EEC. Mr. Teng stressed that his country would be actively promotin gthe cause of unity in Western Europe.

Mr. Teng also rather surprised observers when he appeare dto take a soft line on U.S. foreign policy. Or, at any rate, a much softer line than he seems prepared to take on the Soviet Union's. He implied that China did not oppose a U.S. prsence abroad, provided that it was welcomed by the countries invoved.

On Indochina, Mr. Teng does not appear to have questioned the continuing sovereignty of South Vietnam, which suggests that Peking does not intend to push for reunification

POWER STRUGGLE AT ENI

The business of politics

BY ANTHONY ROBINSON, ROME CORRESPONDENT

FIERCE controversy has broken out over the chairmanship of one of Italy's major state corporations, ENI, which reveals some of the complications which the inter-marriage between politics and business has created. The mandate of Sig. Raffaele Girotti as chairman of ENI expired in October. Since then he has carried on as acting chairman, while a decision on whether to confirm him or choose another man has become the subject of fierce political infighting among the various factions of the Christian Democrat party and between that party and the Socialists.

Last week Sig. Girotti wrote a letter of resignation to his formal political overlord, Sig. Antonio Bisaglia, Minister of Shareholdings, in an attempt to end the uncertainty and if possible ensure his own reconfirmation in the post. This has brought the struggle into an acute phase. It is a classic example of the Italian system at work, reflecting the fact that 20 years of Fascist dictatorship, followed by 30 years of an uninterrupted post-war hegemony of the Christian Democrat Party and its allies have undermined Italy's traditionally fragile concept of the state, and created a system in which appointments to key posts throughout the state apparatus, as well as in banks, state controlled industries, and other power centres have been made not on the basis of a well-defined set of rules but on the outcome of the sort of factional infighting now taking place.

This does not mean that the men elected for such posts are necessarily incompetent or mere party hacks. But it does mean that their loyalty is split between the organisation concerned and the political faction to which they owe their position in it. The resulting ambiguity has also given an extraordinary freedom of manoeuvre and power to top managers of that highly forceful breed like the late Sig. Enrico Mattei and Sig. Eugenio Cefis who created the post-war state industries, and who knew how to run the nominally state enterprises as effectively personal empires by becoming better at politicians' games than most politicians.

ENI itself developed from an act of political disobedience by Sig. Mattei, who just after the war was given the job of winding up an unsuccessful State oil exploration company set up by Mussolini. Instead, Sig. Mattei, convinced that oil and gas lay beneath the Po Valley, and, determined that neither the international oil companies, nor the chemical company, Montecatini, should exploit it, turned this shell into what eventually became the Ente Nazionale Idrocarburi (ENI). From the very start this forceful man realised that to get his own way he needed political cover and he was prepared to pay for it. It coincided with the Christian Democrat party's search for an alternative source of funds to the traditional one, the industrialists' association, Confindustria. They found it in ENI and the tradition of ENI being a major financier of the political parties and the CD party in particular, has been carried on and refined by Sig. Mattei's successors, Sig. Cefis and Sig. Girotti.

These circumstances help to explain why the chairmanship of ENI is such an important position. But the state controlled industries have grown out of all recognition since the "heroic" period of post-war reconstruction. The kind of political manoeuvres used initially to gain freedom for a swashbuckling policy of growth now appears to have degenerated into manoeuvring for its own sake in which the economic viability of the state industries themselves could become the first victim. ENI, for example, is not only an important source of political power and finance, it is also a major economic power and Italy's largest multinational company. Some 16,000 of its 92,000 employees work abroad. Its 1974 turnover of L.5,796bn. (£3,850m.) from oil, chemical, textile, engineering, and nuclear activities, was twice that of Fiat and 50 per cent. more than Montedison's. ENI is, or has been, engaged in negotiations with major oil producers like Iran, Saudi Arabia, Libya, and Iraq, and is also involved in promising oil and gas exploration in the Po valley. These promise to increase its economic and political weight still further. What is more, ENI companies have continued to invest heavily despite political intrigue at the top, and have proved their efficiency by winning substantial foreign contracts.

On paper ENI made a loss of L.10.6bn. last year, compared with a L.37.6bn. profit in 1973. Textiles, the acquisition of the former Shell Italiana and the need to buy large quantities of spot crude at peak prices to comply with Government orders accounted for most of the losses. But the official loss masked a significant rise in cash flow, as seen by a rise from L.289bn. to L.427bn. in depreciation.

The Girotti crisis has provoked an open revolt of managers in the chemical subsidiary, ANIC, while the politically inspired takeover of two bankrupt textile companies, Macqueen and Fosatti-Bellani last week, indicates the difficulties involved in maintaining economic viability in the face of political pressure.

Apart from its own economic importance ENI is also the largest single shareholder in Montedison which, under the chairmanship of Sig. Cefis, is another major provider of funds to politicians and newspapers. Significantly it is largely because of this link that Sig. Girotti was not reconfirmed as chairman of ENI last October. Failure to renew the mandate then meant that ENI's power to assert the weight of its shareholding in Montedison was sharply reduced. This left Sig. Cefis with his hands free to exert the maximum pressure on the Christian Democrat politicians who count, like Sig. Andreotti and Sig. Fanfani, and so obtain that unfettered control over Montedison which has always been his aim. He managed to achieve it after the same sort of resignation manoeuvre now being tried by Sig. Girotti—except that Sig. Girotti is not of the same calibre as Sig. Cefis. Indeed the maladroitness with which Sig. Girotti has played the political power game is believed to be one of the reasons why he now has such powerful enemies who wish to replace him with a man more pliable to their own wishes.

Sig. Girotti

Another factor in the complex situation is the fact that the present controversy over ENI also has the merit, from the Christian Democrat point of view, of diverting attention away from the scandalous situation at EGAM, the state minerals agency, one of whose functions appears to be that of asuming an autonomous source of support in particular for the Doroteo faction of the CD party. The present State Shareholdings Minister, Sig. Bisaglia, is a Doroteo, as was his predecessor, Sig. Antonino Gullotti, and his predecessor in turn, Sig. Flaminio Piccoli, the political "godfather" of EGAM. In its four years of life, EGAM has expanded rapidly through a policy of acquisitions and verticalisation. But while turnover has quadrupled, losses have topped £100m. in four years and its purchase of a 33 per cent. stake, with option of control, in the Genoa shipping, insurance and newspaper group, Villain e Fassio, has raised an enormous outcry. This is partly because of the suspicion that EGAM paid an above market price for Fassio (using state funds and bank loans) in order to control the two newspapers of the Fassio group, and partly because the purchase provided an excellent opportunity for private industry to ask pointedly, just where the expansion of state enterprises was to stop.

Returning to ENI, a closer look at the pro or contro Girotti line-up reveals that what appear on one level as personal and factional interests, reflect at another level different political attitudes and different proposals for the future shape of the energy and chemical industries. The political groupings in the affair also reflect the wider manoeuvering for power within the Christian Democrat party with a view to the forthcoming regional elections. They are likely to be closely followed by a difficult government crisis and struggle for the party leadership, particularly if the party loses ground substantially and Sig. Fanfani's position comes under attack.

Then there are the various left-wing positions whose common thread is that the public role in the chemical industry in which the state has invested several hundred billion lire must be preserved and strengthened. This is a theme which links the left wing CD leader, Sig. Carlo Donat Cattin, Prime Minister Aldo Moro and elements in the Socialist and Communist parties. One idea is for ENI to concentrate on its oil and energy activities, leaving the chemical part, now grouped under the ANIC umbrella, to be hived off and reorganised into a state petro-chemical agency incorporating parts of both ANIC and Montedison. The important thing in this case is that the man finally chosen to be chairman of ENI must be prepared to accept this kind of solution.

But various Communist, Socialist, and Republican spokesmen have gone further and are trying to make the ENI situation a test case for the future shape of the state sector in general. They are trying to establish the precedent that all promotions to public positions be openly discussed and approved in parliament, that the accounts of the state controlled companies be open and subject to public scrutiny, and that the policy of the state controlled enterprises and industry generally be laid down by a competent economic planning authority, which has still to be devised. These demands are political dynamite because they would attack at the root the power base of the Christian Democrat party in particular and the whole system of power under which Italy has been ruled since the war.

Giscard to see Shah, Kissinger

By Robert Mauthner

PARIS, May 14.

PRESIDENT Giscard d'Estaing of France will have talks here within the next two weeks with both the Shah of Iran and Dr. Henry Kissinger, the U.S. Secretary of State, triggering off speculation that France might be preparing a new initiative to reconvene a conference between oil producers and consumers.

The President has invited the Shah to lunch at the Elysée Palace next Tuesday and he will be seeking Dr. Kissinger on May 27, when the American Secretary of State will be in France for a meeting of the governing Board of the International Energy Agency and of the OECD Ministerial Council.

Although official spokesmen have declined to give any details of the subjects to be discussed by M. Giscard and his visitors, it can be taken for granted that world economic problems and particularly those of energy and other raw materials, will figure high on the list. The French have never considered the breakdown of the preparatory meeting between oil producers and consumers in Paris in April, which they sponsored, to be final, maintaining that agreement was very close and could have been reached easily if the major participants, and not least the U.S., had shown the necessary political will.

The preparatory conference in fact broke down because the U.S. wanted priority to be given to energy questions at any subsequent plenary meeting between the producer, consumer and developing nations, while the producer and developing nations, led by Algeria, wanted all commodity problems to be discussed.

Since the failure of the preparatory meeting, however, the French think they have discerned a greater willingness on the part of the U.S. to broaden the agenda of the proposed conference. Following the setbacks which American policy has recently suffered in Indochina and the Middle East, the French appear to feel that the U.S. would now take a less intransigent stand on the proposals made by the developing nations.

The Shah, who is one of the more moderate leaders among the oil producers, could also play a crucial role in bringing the two sides together, it is thought here.

Irish action on public spending

BY DOMINICK J. COYLE DUBLIN, May 14.

AN UNAMBIGUOUS and long overdue official acknowledgement that the rapid rise in State spending in recent years had contributed greatly to the present "crisis" level of inflation came to-day from Mr. Liam Cosgrave, the Prime Minister, when he spoke to the Confederation of Irish Industry (CII) here.

In a major speech which was generally conciliatory to industry but realistic in regard to the many major problems now facing the economy, the Prime Minister, in effect, invited the main economic interests in the country, including the CII and the trade unions, to participate in the formulating of future budgetary policy on both capital and current account and in determining the level of many incomes generally.

This participation is to be formalised in a special working party, which will also include representatives of the farming organisations and a number of senior ministers. But Mr. Cosgrave warned that inflation would not be beaten by a repetition of previous sectoral proposals to Government "involving either further public expenditure or reductions in taxation, and often both together."

Dealing specifically with the growth in public expenditure, Mr. Cosgrave noted that, in ten years, spending by the central government had risen from about 37 per cent. of GNP to over 50 per cent.

"Whatever one's belief about the collective wisdom embodied in Cabinet Government, it must give pause that taxation and spending decisions on behalf of the nation are now so highly centralised—and so remote from the individual or firm."

The country, he added, had reached the stage where it was essential to consider seriously future levels of public expenditure, in their totality, and what was to be achieved with this expenditure.

The Prime Minister noted some recent relaxations in official price control policy, and hinted at further early concessions by the Minister for Industry and Commerce, particularly on the question of the extent to which increases in depreciation and interest charges should be admitted for price compensation purposes.

Mr. Cosgrave anticipated a period of general world expansion commencing later this year or in 1976, but he said that the "unpleasant reality" was that grave doubts existed as to whether Ireland was in a position to take advantage of such an upswing. Other countries were reducing their inflation; Ireland's has been going up.

French tobacco strike spreads

BY GILES MERRITT PARIS, May 14

"NI GAULOISES, ni Gitanes." read the now-familiar pencilled signs in the windows of most Parisian tobacconists. With the strike by just 100 men at the main Paris region distribution centre of Seita, the State tobacco monopoly, now nearing the end of its third week and the dispute spreading country-wide, the situation is getting desperate.

Those familiar withdrawal symptoms—short temper and restlessness—are beginning to tell as addicts of the two leading cigarette brands are forced either to search far afield for untapped stocks or switch to unfamiliar "blondes." In many of the capital's 7,000 tobacco outlets, dwindling supplies of Gauloises and Gitanes are parcelled out to regulars only in a fast growing under-the-counter market.

The Seita strike has now spread from the monopoly's Plaine-Saint-Denis warehouses outside Paris where the workers are demanding a Frs.100 cost of living bonus and re-classification benefits, to main provincial distribution centres at Marseilles and Toulouse. And Seita's claim that 85 per cent. of deliveries are still going through will soon have to be revised unless settlement is reached.

In the Paris area business is well down, with only 70m. cigarettes and cigars being delivered daily, against the usual level of 110m. And it seems that the most popular brands are being singled out and withheld. So far, the French Government has shown no signs of pressing for a settlement to the strike, although cynics are now suggesting that Finance Minister M. Jean-Pierre Fourcade would do well to end it before France's inveterate smokers begin to lose the habit and he begins to lose his tax revenues on Seita's yearly sales of Frs.10bn.

W. German plastics output falls

BY GUY HAWTIN FRANKFURT, May 14.

PRODUCTION IN the West German plastics industry has fallen heavily in the opening months of 1975. Currently output is running at between 80 and 85 per cent. of last year's level.

The West German Plastic Processing Industry Federation said to-day that no signs of an improvement could be seen. Demand was unlikely to pick up in the foreseeable future.

This decline follows a year of virtual stagnation. According to figures just released by the industry, output grew by a mere 0.8 per cent. in 1974. In 1972 and 1973 production totalled about an annual 3.4 tonnes.

Within the industry itself, the performance of the individual sectors was variable. In consumer plastic goods, for instance, there was a 6.2 per cent. output growth recorded. This sector, however, accounts for only 7 per cent. of the industry's total production.

A reasonable 5.4 per cent. volume growth rate was registered in the technical parts sector, which accounts for some 16 per cent. of the industry's total output. The production of plastic packaging, which represents 22 per cent. of total output, was up by only 1.7 per cent.

Dominating the industry is the semi-finished products sector which contributes an overwhelming 55 per cent. of production. Here output declined by 1.4 per cent. over the year, reflecting the recession in the building industry — its most important customer.

IN BRIEF

'Middle-classes' to strike in Belgium

Belgian small businessmen and self-employed people known collectively in Brussels as the "middle-classes," will strike for 24 hours on June 11, writes David Curry.

They are protesting at what they consider inadequate Government attention to their grievances, particularly the recently announced two-month price freeze. The "middle classes" are infuriated because it was imposed without consultation and would prevent small businesses from recouping increased social security and fiscal charges.

However, the Government has already conceded many "middle class" demands, including the easing of social security charges on smaller businesses, the relaxing of some book-keeping regulations, and further limitation of hypermarket development.

Danish GNP 'to rise'

No GNP growth in Denmark this year but a 4 per cent. growth rate next year. This was predicted yesterday in a report by the three joint chairman of the country's Economic Advisory Council, writes Hilary Barnes from Copenhagen. The report expects the payments deficit to fall from Kr.6bn. last year to Kr.2.5bn. this year, rising again to Kr.4bn. next year.

BIS pays maximum

The Bank for International Settlements (BIS) recommends payment for 1974 of the maximum statutory dividend of 9 per cent., writes John Wicks from Zurich. The sum of 56.25 gold francs per share would be converted into Sw.Frs.75.05 on the basis of the Swiss currency's official gold parity.

Oslo-Moscow talks

A Norwegian delegation will begin "preliminary discussions" in Moscow on May 26 about Norway's plan to extend its fishing limits to 50 nautical miles, Fay Gjester writes from Oslo. The Foreign Ministry said the talks, which were not expected to last "more than a week," would prepare the ground for further discussions.

Strikes in Austria

Last year was one of Austria's best post-war years in terms of working time lost due to strikes, writes Paul Lendvai from Vienna. A statistical breakdown published by the Austrian Trade Union Federation shows that only 7,295 of the 2.6m. labour force were involved in strikes, causing the loss of 7,250 working days. Thus, only 0.3 per cent of gainfully employed persons were in work stoppages, of which the average duration was less than eight hours.

War again if peace talks fail, says Sadat

KUWAIT, May 14.

PRESIDENT ANWAR SADAT of Egypt to-day implied that the Arabs would go to war with Israel if resumed discussions in Geneva failed to bring peace to the Middle East.

President Sadat was speaking at a Press conference here before leaving for Baghdad on the second leg of a tour which will also take him to Amman and Damascus. The Egyptian leader, who arrived yesterday for talks with Kuwaiti leaders, was asked what would happen after his meeting with President Ford in Salzburg on June 1 and 2.

He said it was inevitable that all efforts should be directed towards resuming the Geneva peace conference now that U.S. Secretary of State Henry Kissinger's shuttle diplomacy had failed.

"We want to try all possible opportunities of achieving peace. But if no peace is achieved, we will have to face our destiny as we did in October 1973," he said, referring to the fourth Arab-Israeli war.

President Sadat said he wanted to know if the U.S. protected Israel within its 1967 boundaries or within the land it was now occupying.

"Unless I receive a clear answer to this question it will be very difficult for me to find any substance to discuss with President Ford," he added. However, he welcomed any efforts by the U.S., the Soviet Union "or even the devil himself" to solve the Middle East problem.

Reuter

Leadership shake-up in Damascus

By Ihsan Hijazi

BEIRUT, May 14.

IMPORTANT Government and other changes have taken place or are planned in Syria within the next few days.

According to reliable sources, Mr. Mahmoud Al Ayoubi, the Prime Minister, has been appointed Assistant Secretary of the Damascus-based Pan-Arab Command of the ruling Baath Party in preparation for removing him from the Premiership. The sources said that in the new post Mr. Al Ayoubi will be a close adviser to President Hafez Assad on Arab affairs. It is not yet known whether Mr. Al Ayoubi will retain his other post of Vice-President. He lost in the elections last month to a new Syrian command of the Baath Party.

Consultations are already apparently under way in Damascus to form a new Cabinet. Mr. Abdullah Al Ahmar, the second-in-command in the party leadership after President Assad, has been tipped to head it. Changes are not expected in the basic portfolios, Major-General Mustafa Tlas remaining as Defence Minister and Abdel Halim Khaddam as Foreign Minister.

Another significant change has been the transfer of Major Rifaat Assad, the brother of the President, from the armed forces to undertake Baath Party business. Major Assad was elected to the new party leadership, and henceforth he will be preoccupied solely with functions within the party, the sources said.

Rioters attack U.S. offices in Luang Prabang

VIENTIANE, May 14.

RIOTERS detained three U.S. officials and smashed up offices during a series of anti-American demonstrations in Laos to-day, diplomatic sources reported. The outbreaks were at the royal capital of Luang Prabang and in the southern town of Savannakhet.

A crowd of students stormed into the house of the provincial governor of Savannakhet and held three U.S. aid officials who were inside, the sources said. Precise details of the incident were not immediately known in Vientiane. It was believed the U.S. officials were being held while an American embassy delegation was sent from Vientiane to discuss the students' demands.

The students were said to be demanding the expulsion of American aid workers and other U.S. officials from Laos. Shortly after word of the demonstration reached Vientiane, radio contact between the American embassy and Savannakhet was lost.

The U.S. aid offices were also a main target of demonstrators at the royal city of Luang Prabang. Students smashed windows, broke up furniture and ripped up all papers they could find.

One eyewitness said the students were looking for Americans but there were none in the U.S. aid compound. There were no reports of injuries. The Luang Prabang demonstrators seized the radio station for a while and broadcast demands for removal of the city's right-wing governor, Bouhon Sovandi. One group broke into the governor's house but he was not there, according to the sources.

After attacking the American premises, demonstrators raced through Luang Prabang, ransacking food stores and carrying off sacks of rice which they said would be distributed to the needy.

Military sources said to-day that the commander of the last military region of Laos still controlled by Rightist forces had thrown his support behind the Leftist-dominated coalition Government. His action would be the latest in a series of defections, seen as the first stage of a bloodless takeover by the pro-Communist Pathet Lao.

Reuter

Moscow woos Thais on joint security

BY OUR ASIA CORRESPONDENT

THE SOVIET UNION is making renewed efforts to woo Thailand and has been urging the new Bangkok Government to support Soviet proposals for an Asian collective security system.

According to Bangkok radio reports monitored by the BBC, Mr. Ivan Chevrov, head of a Pravda bureau, met Mr. Kukrit Pramoj, Thailand's Prime Minister praised the Thai policy of neutrality, and suggested that Thailand might support the collective security idea.

The Russians have been hawking round their ideas for such a system for several years without getting much response from any Asian country. In the West the collective security plan is regarded as an attempt to create a Soviet-dominated Asian bloc against China.

The response of the Thais was dusty. Maj.-Gen. Chartchai, the Foreign Minister, replied that with the restoration of peace to South East Asia, there was no longer any need for such a system. Moreover, the concept might be misleading. Thailand already belonged to Seato and would not consider any new arrangements.

Thailand is also committed to the Malaysian inspired idea of a neutral South East Asia. The new Government in Bangkok is clearly nervous of the new turn of events in the area and is urging the Americans to withdraw their troops from Thailand. Mr. Kukrit has also protested against the sending of marines to U-Tapao.

Malay drills stopped

BY WONG SULONG

KUALA LUMPUR, May 14.

EXXON has announced it is suspending its drilling operations in Malaysia because of what it describes as the "uncertain future" of the company in the country, following the breakdown of its talks with the Malaysian Government's national petroleum company, Petronas, over a production-sharing agreement.

An Exxon spokesman in Kuala Lumpur said the suspension would affect drilling at its offshore concessions in Sabah and Trengganu. The company has also suspended construction of two offshore production platforms now being built at the cost of $50m. each in Japan for installation in the late half of this year on its oilfield 150 miles off Kuala Trengganu. However, production from its Tembungo field in Sabah, which began producing commercial quantities of oil last October, should continue.

Japanese upturn at last

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, May 14.

THE JAPANESE economy is at last beginning to show signs of turning upwards, according to officials at the Economic Planning Agency, but recovery is extremely gradual and is limited to certain sectors.

The industrial production index, though still running some 16 per cent. below the level of a year ago, recorded an 0.6 per cent. increase in March compared with the month before. This follows a period of 15 months in which the quarterly average of industrial production has shown a continuous decline. An 0.6 per cent. rise may be regarded as being too small to be significant, but the Ministry of International Trade and Industry is forecasting much faster increases for April and May.

The recovery of production evidently reflects the fact that Japanese companies are at last getting their inventories of unsold products back to something like normal levels. Another positive element in the economic scene is public expenditure, which began to rise shortly before the end of last year and was running 30 per cent. ahead of the previous year's level during the first quarter of 1975.

The weak elements in the economy are consumer spending which has been picking up much more slowly than the Government originally hoped, and private investment which is still falling from month to month. The slackness of private investment is attributed to the fact that Japanese industry as a whole is still operating at less than 80 per cent. of capacity (76.7 per cent. in February).

Japanese officials do not expect a full-scale investment recovery until next year, and are somewhat dubious even about the propects for consumer spending. It is admitted that this year's relatively modest national wage increase (provisionally estimated at 13.4 per cent. by the Japanese employers federation) will rule out any rapid resumption of consumer spending in the next few months.

Although economic recovery has been very gradual to date, officials still say they hope to achieve the real growth target of 4.3 per cent. set by the Government in its plan for the current fiscal year (ending next March). The growth target, however, enjoys a lower priority than the Government's price stabilisation target (which is to bring the year to year rise in the consumer price index down to less than 10 per cent. growth target), it is tacitly admitted.

From Saigon **Stewart Dalby** describes the problems confronting the Provisional Revolutionary Government after the heady days of military victory

Tackling the economy

THE TAKEOVER of Saigon must have been one of the smoothest victories in military history: the defeated South Vietnamese forces abandoned their uniforms and melted away into their homes, and the forces of the Provisional Military Government within two weeks effected a transition remarkable for its speed.

Within hours almost all the basic utilities were working and after two days the Saigonese had overcome their initial fears: shops reopened and the street markets were crammed with goods and people. Gradually the Military Management Committee got on top of a crime wave. Street committees were formed to keep streets clean and to see to it that signs associated with the Americans are torn down: signs over bars, signs saying that marriages and visas could be arranged, and so on.

The trade unions have been asked to set up Workers' Committees, and political indoctrination classes, where the works of Ho Chi Minh, among other things, will be taught, are to be held. Last week-end the Management Committee started to register all foreign nationals still in Saigon, and it also began to get all former army officers and South Vietnamese politicians to check into special offices. Though many of these officers are obviously nervous about what is going to happen to them, there has not been a single report of reprisals, or of looting by the liberation soldiers, or even of drunkenness. The discipline of the liberation soldiers is extraordinary.

However, it is probably fair to say that the hard part is only just about to begin. Whether the Military Management Committee does give way to a civilian government made up of members of the current Provisional Revolutionary Government (PRG), or whether a speedy reunification with the North is attempted, great economic problems face the new leaders. Whatever form of economic system is decided upon—collectivisation of agriculture, workers' collectives for the small industries, perhaps—there are going to be difficulties.

Distorted

The long war and the American presence in South Vietnam did not, surprisingly perhaps, completely bankrupt the country, but they did distort and misshape the economy to such a degree that it became heavily dependent on American aid. Under the old, French scheme of things, what industry there was, was located in the North. South Vietnam is almost totally agricultural. There are a few small-scale industries located just outside Saigon as well as various processing plants, such as two Japanese-built shrimp processing operations for example. But there is virtually no heavy industry. There are no oil refineries or fertiliser plants.

At the height of the American presence, the private spending of Americans in Vietnam amounted to $500m. a year. The Americans served to create a large number of service industries: some 200,000 Vietnamese were employed as waiters, cooks at bases, or as bar girls and hostesses. Men worked as maintenance men or chauffeurs. When the Americans left there was a severe recession. By the time of liberation, between 40 and 50 per cent. of South Vietnam's population lived in towns where there was hardly any work for them. The country became heavily dependent on imports. In 1974 South Vietnam imported nearly $1bn. worth of goods, and managed to export just over $80m. worth. The difference was made up almost entirely by American aid or private spending by Americans still in Vietnam. South Vietnam's foreign exchange reserves in October 1974 stood at $160m.

Some of the results of the open door policy towards imports are still clearly visible in Saigon's markets. Stalls are crammed with Martell brandy and Beefeater gin. There are numerous drugs stalls selling everything from antibiotics to aspirin. Other stalls are overflowing with Nikkon and Pentax cameras as well as Sony stereo equipment and Seiko watches. There are cassettes and records, brand new irons and cooking equipment. All this merchandise belies the real poverty of the country. Without American money these goods will disappear.

Soon the three or four French restaurants which have re-opened will find that they can no longer get the good wines that their customers like. Already it is almost impossible to get any foreign beer, and soon the local brewery will run out of the chemicals it needs to make its brew.

These luxuries, however, made up only part of the import bill. South Vietnam needed and needs to import all its fuel requirements. The oil price increases forced South Vietnam to pay about $300m. for imported fuel in 1974, equal to around one-third of its total import bill. The price of petrol has rocketed and the great swirl of cars and mopeds which usually choke Saigon's streets is getting noticeably thinner.

Only a few days after the takeover thousands of people are already streaming out of Saigon and returning to their homes, mainly to the Mekong Delta. They will need to do more than go home to get up food production. South Vietnam, which was once a major exporter of rice, in recent years has again become nearly self sufficient in production of this staple food. In 1974, for example, it needed to import only 100,000 tonnes of rice, equivalent to around 10 per cent. of its needs. At least on paper, South Vietnam could feed itself in the next couple of years.

Dependent

But North Vietnam cannot. It is heavily dependent on imports from China, although it is not known exactly how much these rice imports amount to. Moreover, the calculations ignore the fact that South Vietnam has one of the highest birth rates in the world. Its population is growing by 3.5 per cent. a year, and North Vietnam's growth rate is thought to be as high or even higher. The chances of significantly improving yields per acre must also be slight until South Vietnam finds some way of getting fertilisers. The Americans paid well over $100m. a year for that alone.

In the long term Vietnam's prospects should be good, since there may be oil to be found off the South's shores. However, exploiting it, as well as other natural assets, the country will need lots of foreign capital. The Provisional Revolutionary Government has already called for aid, and has suggested that it will accept it from any country irrespective of its politics. The Japanese might want to invest in some fishing projects as well as get their hands on the numerous hard and soft woods in the Central Highlands, but whether other countries, particularly the U.S. will lend or invest on a sufficiently large scale remains to be seen.

For the moment, Russia and China are reported to be helping out with various forms of aid. But in the short-term the South Vietnamese, particularly the superficially affluent Saigonese, are clearly going to have to do some belt tightening and may find their lives radically changed. Many of them seem totally unprepared for that. They sit around the coffee houses and billiard halls, or on the street stalls, sipping their iced tea or beer as if nothing has changed.

Saigon prepares 'Uncle Ho' celebrations

BY STEWART DALBY

SAIGON, May 14.

INTENSE preparations are going on here for a three-day holiday of victory parades to celebrate the liberation of Saigon, now called Ho Chi Minh City, two weeks ago.

After the victory celebrations, which are due to take place to-morrow for three days, there will be a one-day break before the birthdate of Ho Chi Minh is feted on May 19. This is one of the most important dates in the Communist calendar. For the forthcoming festivities the Saigonese have been told to display pictures of Ho and also the red and yellow North Vietnamese flag. Already framed, tinted portraits of Ho beam out from almost every shop and the red, blue and yellow flag of the Provisional Revolutionary Government (PRG) flutters from many first-floor windows.

Thousands of North Vietnamese and Viet Cong troops are driving into the city, ready for the victory parades, and tanks and artillery pieces are reported to be ready on the city outskirts. Outside the former presidential palace, cadres are building wooden grandstands and clusters of loudspeakers will be strung up among the trees in the small park outside the Doc Lap (Independence) Palace. In the schools, which are still officially closed, children are being taught how to march and also what to chant. At one school, opposite the French Embassy, about 300 teenage girls wearing traditional Vietnamese tunics were being marched up and down by a Viet Cong cadre, blaring through a megaphone.

U.K. fate uncertain

BY STEWART DALBY

THE FATE of British interests and property in South Vietnam continues to hang in the balance. The military Management Committee has announced a wide-scale programme of nationalisation and that all former American property is to be confiscated.

But General Tran Van Tra, the president of the committee said at a recent Press conference that he was not sure whether the confiscation would also apply to British interests

The British embassy in Hung Nhut road was thoroughly looted on April 30, hours before the liberation

British commercial interests here came off more lightly. There were only four companies really represented in South Vietnam: Shell Cong Ty (Vietnamese for company), the Chartered and the Hongkong and Shanghai Banks and Manufacturer Indochine de Tabac (MKT) in which BAT had an interest.

HOME NEWS

Ward White to sack 750 as shoe demand declines

BY RHYS DAVID

WARD WHITE, one of the leading U.K. shoe manufacturers, is to dismiss about 750 of its total labour force of 7,500 because of continued low levels of demand in the shops and strong competition from low-cost imports.

The redundancies, which follow nearly nine months of short-time working in the group, will affect three main centres—Ballymena in Northern Ireland, Anstey in Leicestershire, and Bristol.

The biggest blow is to fall on the operations at G. B. Britton, manufacturers of Tuf and Gluv brand shoes. A total of 400 people will lose their jobs at Ballymena as a result of the complete closure of the plant and the transfer of production to other centres. Another 200 Britton workers at Kingswood in Bristol will also be dismissed.

Some 150 jobs wil be lost with the closure of the G. H. Palmer plant at Anstey, which manufactures boys' footwear. Palmer, which moved into the Anstey plant last year, was merged with another group company, Little Duke footwear, last autumn and production will now be concentrated at the Desborough and Melton Mowbray plants of Little Duke.

Ward White, with other U.K. shoe manufacturers, has been suffering from greater foreign competition, particularly in higher quality men's footwear, at a time when the market has shrunk as a result of the recession.

The industry has been particularly concerned at increased imports from Comecon countries and has been pressing the Government to take action to prevent dumping. Production of footwear in the U.K. fell by about 7 per cent. last year, but importers managed to increase their total sales by 2m. pairs in the year to 80m.

In the first three months of this year imports totalled 28.1m. pairs compared with 24.1m. pairs in the same period last year, an increase of 16 per cent. The value of imports went up from £28m. to £38m. If continued at this rate the industry reckons imports will capture some 40 per cent. of the market this year against about one third over the past few years.

The British Footwear Manufacturers Federation, together with the footwear unions, yesterday sent a telegram to Mr. Anthony Wedgwood Benn, the Industry Secretary, drawing attention to the continued crisis in the industry and asking for urgent action to control imports.

Ward White itself managed to increase its sales by 14 per cent. last year—from £43.2m. in 1973 to £49.3m.—and its trading profit from £2.7m. to £3.1m., but, with interest charges rising steeply, the pre-tax profit was cut from £1.78m. to £1.3m.

M & S lowers Paris prices

BY ELINOR GOODMAN

MARKS AND SPENCER is to reduce its prices by between 10 and 20 per cent. in its Paris store to reflect the devaluation of the pound against the French franc. Despite reports that sales in the company's much publicised first overseas store are disappointing. Marks maintains that the price cuts are not a sales promotion exercise. Margins, the company, says, will be maintained at their present level and the lower prices will be a continuation of the company's policy of passing on to the consumer the benefits of lower costs.

The company admits that sales have fallen off since the opening on the Boulevard Haussmann 11 weeks ago. The chairman, Sir Marcus Sieff, says this was to be expected and that he is "satisfied" with the progress in Paris. He claims that it is too soon to be "categoric" about the store's profitability.

However, reports from Paris, indicate that now the novelty of "Le shopping" has worn off, sales are flagging and that the original profit targets have had to be modified. Without a network of M and S shops at which to exchange goods, French shoppers are said to be reluctant to buy clothes without first trying them on.

The company is believed to be looking at sites in the suburbs of Paris but is finding it difficult to locate the kind of shopping centres which surround London.

Sir Marcus admits to be considering other sites but says that no decision as to whether to expand further in France will be made for several months. The opening in Lyons is to go ahead as planned in September, incorporating a food department in addition to the other departments offered in Paris.

Sir Marcus conceeds that M and S has encountered problems in Paris but says these are to be expected when opening abroad. In many ways, he says, he has been surprised by how few major problems there have been, while the local management says the store's sales per square metre are higher than those of its immediate competitors.

The Automobile Association has, for the first time in its 70-year history, appointed two women to its executive committee.

They are Mrs. Heather Brigstocke (right), 45, High Mistress of St. Paul's School, London, and Mrs. Mary Cannon, 61, a Birmingham City magistrate, seen in London yesterday with Lord Erroll of Hale, the association's chairman, and an AA patrolman.

Lord Erroll said: "The appointments are in line with the progressive policy of the association and it is perhaps appropriate that they have taken place in International Women's Year.

● Around 4,000 recommended hotels, motels and restaurants feature in the RAC's 1975 Guide and Handbook.

Trevor Humphries

Mills hit as paper and board demand continues to fall

BY LORNE BARLING

U.K. PAPER and board production has continued to decline in the early part of this year and most mills are now working at below 60 per cent. of capacity, according to the British Paper and Board Industry Federation.

At the same time demand is still declining as de-stocking by converters and end users continues. It had been hoped that this would by now have ended.

"Due to a general fall in demand, de-stocking is continuing at a slow pace and there is evidence that future 'normal' levels may be pitched somewhat lower by the industry's customers," the federation said.

It is thought that some benefit from an end of de-stocking may be felt within a few months, but no marked upturn is expected until the end of the year.

However, the federation warned that the combination of slow throughput now and lower stock levels in the future will present problems when the upturn comes.

"Merchants may have little in reserve to meet the anticipated sharp increase in demand and the pressure on mills to fill the void will again set the industry off on its cyclical progression," the federation said.

It could not be assumed that any shortfall in demand would be made up from imports. The upturn would be international and the U.K. would face competition for world stocks of raw materials and finished papers and boards.

Production of all grades of paper in the first three months of this year was 21 per cent. down on the same period last year. The worst hit sectors were food wrappings (30 per cent. down), industrial and special purpose papers (33 per cent.) and other wrapping and packing papers (29 per cent.). Only the tissue sector remained healthy.

Board production was down by about a quarter in the same period, although the situation had not deteriorated since the end of March. Improved demand is expected by the autumn.

According to figures released by the Joint Waste Paper Advisory Council, stocks of waste paper, the board industry's main raw material, have risen by nearly 100 per cent. in the period to more than 220,000 tonnes. Consumption fell by nearly 25 per cent.

PRODUCTION OF PAPER AND BOARD

	March 5 weeks 1975 '000 Metric Tonnes	January-March 13 weeks 1975 '000 Metric Tonnes	3 mnths. 1975 of 3 mnths. 1974
Newsprint	35.1	79.5	−23%
Printings and writings, papers and boards	84.1	248.5	−20%
Food wrappings	4.4	11.5	−30%
Kraft wrappings	12.7	41.0	−16%
Other wrapping and packing papers	58.3	171.8	−29%
Household, toilet papers and tissues	35.8	88.0	+ 7%
Other tissues	1.8	5.7	+ 4%
Industrial and special purpose papers	17.7	43.8	−33%
SUB TOTAL	249.9	690.0	−21%
Packaging boards	59.0	172.3	−26%
Boards for industrial and special purposes	17.3	39.7	−27%
Other boards	3.0	9.0	−26%
TOTAL BOARD excluding printing and building board	79.3	221.1	−26%
TOTAL PAPER AND BOARD excluding building board	329.2	911.0	−22%
Building board	2.2	5.8	− 2%
TOTAL PAPER, BOARD AND BUILDING BOARD	331.3	916.8	−22%

Totals do not always add due to rounding

Chrysler chief tells MPs of plans in private session

BY TERRY DODSWORTH

AGAINST A background of growing rumour about Chrysler's future in the U.K., Mr. Gilbert Hunt, chairman and chief executive stressed again yesterday that the company had new models under consideration, that it may approach the Government for help and that it is still receiving aid from its U.S. parent.

He also confirmed that he and other top executives, including Mr. John Ricardo, president of the parent company, had met the Prime Minister for discussions about Chrysler's financial problems.

But at the Commons committee inquiry into the motor industry he described reports that Chrysler might design and develop tooling for a new U.S. car as "pure speculation."

Chrysler's decision to attempt the introduction of a new model, announced in talks with the trade unions last week, is a distinct reversal of its policy as outlined by Mr. Hunt at his last appearance before the committee. He told MPs then that there were no plans for a new car at present.

The extent of the change of thinking, however, is not clear. The committee went into private session to discuss model policy; in public Mr. Hunt did not elaborate on whether the next U.K. car would be designed with the U.S. or Iranian markets in mind, or what market slot it was aimed to fill.

It is also unclear how new developments will be financed. Mr. Hunt confirmed yesterday that the U.S. company had provided two further support loans to Chrysler U.K. since January this year, following its £15.8m. backing in the last six months of last year.

The company is also approaching Finance for Industry, the City lending institution, for a £35m. loan, believed to be linked with its Iranian exports, although Mr. Hunt would not confirm this yesterday. In addition talks are going on with banking institutions, he said.

However a new model—whether it used some existing components or not—would probably cost over £30m., and Department of Industry help may well be vital to the project.

Last night the DI said that normal discussions were continuing with Chrysler, but so far there had been no request for aid.

Index-linked savings plan worries building societies

BY MICHAEL CASSELL

BUILDING SOCIETIES are becoming increasingly concerned about the effect the Government's new index-linked savings schemes may have on their ability to attract funds.

Mr. Leonard Boyle, chairman of the Building Societies Association, told the association's annual conference in Torquay yesterday that the movement had made "the strongest possible objections" about certain aspects of the Government's plans.

Next month, it introduces a havings scheme for pensioners which offers interest in line with the prevailing rate of inflation after the first year on sums of up to £500. An additional save-as-you-earn, index-linked scheme is due to be introduced in July and will offer similar interest rates to anyone who is prepared to save up to £20 a month for four years or more.

Objections

Mr. Boyle told the conference that at the end of 1974, the association was asked whether it wished to participate in the new scheme but the societies inquired whether the Government was prepared to make some form of contribution towards meeting the high cost of such a plan. He continued: "We were told this was not possible and we then made to the Paymaster General the strongest possible objections on two counts.

"First, the Government had always insisted that terms offered on SAYE accounts by the department of National Savings and ourselves must be identical and a situation had now developed where it was enabling the department to offer a scheme which it was patently obvious societies could not possibly match without an increase in the mortgage rate.

"Second, the competition of the new scheme might have a pronounced effect on the rates of interest we need to offer our investors—and consequently charge our borrowers—if it were found that savings were being diverted from finance for housing."

Mr. Boyle warned that if inflation continued at its present rate, it would mean that holders of the new index-linked account would earn the equivalent of 20 to 25 per cent. tax free and that the only way the Government could meet this would be "either to print more money or to impose still higher taxes."

The building society movement, despite the index-linked savings threat, is nevertheless confident that 1975 will be a record year for lending, with net receipts from investors in the first four months of this year almost reaching the total recorded for the whole of 1974.

Mr. Boyle predicted that advances this year will be well over £4bn., against only £2.9bn. in 1974. It was surprising, he admitted, that at a time of rapid inflation the public appeared to be satisfied with an investment where there was no hope of capital appreciation and where the interest return would almost certainly be less than the inflationary rate prevailing.

Such a situation, he claimed, clearly demonstrated the confidence placed in societies by "a public whose first priorities were safety, security and availability."

Scottish Tories order headquarters shake-up

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

BIG ORGANISATIONAL changes in the Scottish Conservative Party—notably a drastic diminution of its central office in Edinburgh—will be explained to party activists by the chairman, Mr. George Younger, MP, at the annual conference which opens in Dundee to-day.

The most important is the appointment of a new Scottish director. The party hierarchy—which faces considerable rank and file criticism about organisation—has chosen Mr. Graham Macmillan, a senior Glasgow-born regional agent who has headed the party's Yorkshire office in Leeds for the past 14 years.

Mr. Macmillan, who takes up his post on September 1, will direct a central office operation with only three or four full-time officials, which is about one third of its peak strength in the late 1960s.

Among the senior posts which will disappear are those of director of information and research, and director of organisation.

It is the party's intention to sharpen constituency-level organisation in an effort to regain the 600,000 votes and 20 seats which have been lost in the last two decades, to leave only 16 Scottish constituencies with Tory MPs. The most dramatic losses have been to the Scottish National Party in the last two elections.

A senior official of the party said that the organisational shake-up "reflects a very substantial determination to take the constituencies by the scruff of the neck and shake them until the agents' teeth rattle."

The nature of the changes would also seem to denote a reduction in the autonomy of constituency organisation, perhaps affecting such matters as candidate selection, and a simultaneous requirement by the central office for a greatly improved financial performance.

During the last three years, there has been an increasing failure by constituencies to meet their quota contributions to central funds.

The party's target of £20,000 a year has remained unchanged, but the constituency contributions have fallen from 62 per cent. in 1972 to 54 per cent. in 1973, and finally to 29 per cent. last year—though the latter figure was heavily influenced by the retention of funds to fight two general elections.

Mr. Macmillan's experience in Yorkshire is of similarly fluctuating Tory fortunes. The Conservatives hold 16 of the region's 58 seats, though their peak was 23 seats in 1959.

He commented: "My job is to help reverse the political trend in Scotland by encouraging organisations to be more alert, and to build up membership and finance in preparation for the next General Election.

"The Conservative Party is changing its accent and putting its organisation at the front line."

Pan Am to fight curb on agents' commission

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

MR. WILLIAM T. SEAWELL, chairman of Pan American World Airways, has told stockholders that the airline will "fight like hell" against any British attempt to prevent its aircraft from operating in the U.K. because of the Anglo-U.S. dispute over commissions to travel agents.

He told the annual meeting in San Francisco that the U.K. had taken "an illegal position" in its dispute with the airline, by claiming "extra-territorial rights" — that is, rights to dictate levels of commission payable to travel agents outside the U.K. who sell tickets for travel to Britain.

"We will comply with legitimate Government orders," he said — referring to the British Government's insistence that in the U.K. Pan Am must pay its agents a ½ per cent. increase in commission instead of the 3 per cent. rise it wants to pay. "But we believe the British have no authority over what we pay on travel business done in the U.S.," he added.

If the dispute resulted in Britain barring Pan Am's jets from landing at U.K. airports, "we'll get lots of publicity, lots of footage, lots of pictures, and then we'll fight like hell," Mr. Seawell warned. But he did not anticipate that the situation would deteriorate that far.

So far, beyond verbal contacts and preliminary letters setting out the U.S. Government's objections to the British attitude, there has been no formal diplomatic note of protest to the Department of Trade.

But some such note is expected soon. The U.K., having made its position plain, is waiting for the Americans to make the next move.

Much will depend on the American formal protest, if and when it comes. The U.S., through the embassy, has made it clear that it does not accept Britain's right to dictate what commissions Pan Am must pay either in this country, or overseas, and especially in the U.S.

Under duress

Pan Am is paying the ½ per cent increase in commissions in this country under duress, but is continuing to pay its 3 per cent. increase to travel agents selling tickets in the U.S. for travel to London.

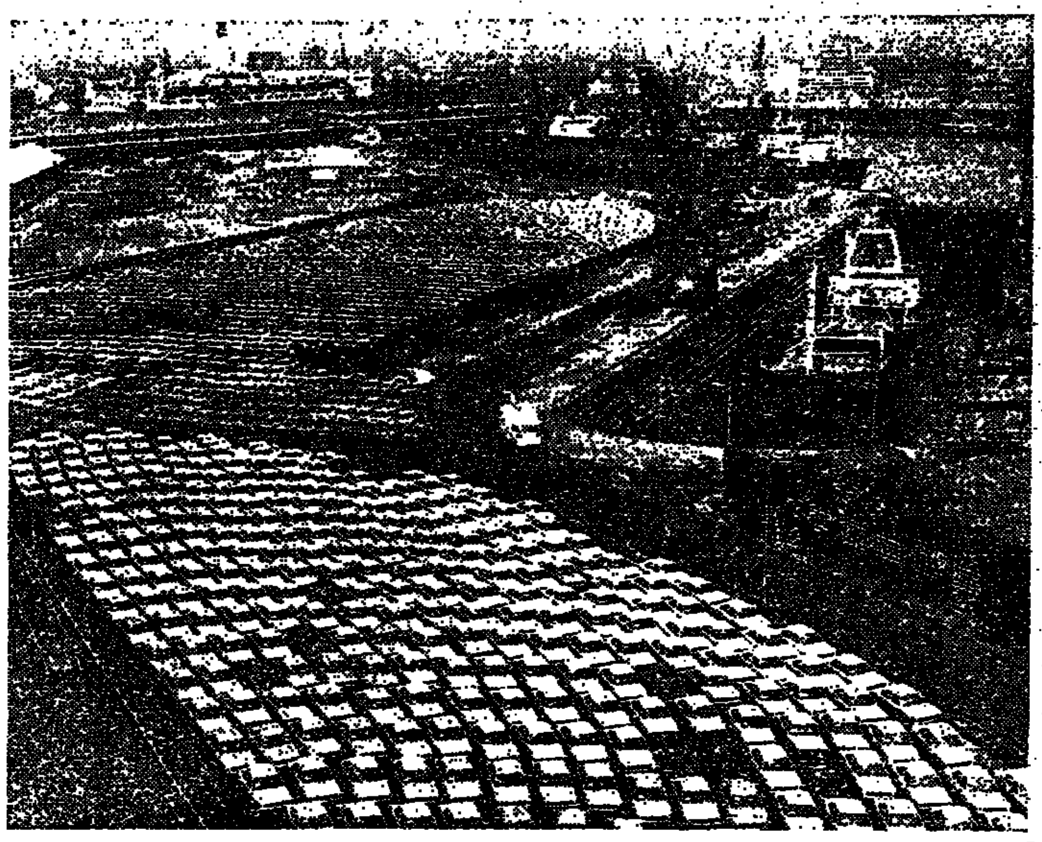
Any formal protest is expected to make it clear that the U.S. Government would not tolerate any interference with Pan Am's business activities inside the U.S. or any other country outside the U.K.

This would effectively throw the ball back to the U.K., and oblige the Department of Trade either to stand down and accept Pan Am's right to pay what it liked outside the U.K., or to implement its threat and suspend Pan Am's rights to fly to this country.

In turn, this would probably result in the cancellation of British Airways' rights to fly to the U.S.—possibly a far more damaging blow to British Airways than the loss of U.K. rights would be to Pan Am.

There are now signs that public opinion in the U.S. is turning against Britain in the row. Pan Am's employees issued a separate statement calling the U.K. threat "a blackmail effort for the protection of a Government-owned national-interest airline (British Airways).

"The threat by the British Government to cancel Pan Am's landing rights in England as a result of its adoption of a travel agents' incentive commission programme. . . is a direct challenge by a Socialistic government to thwart private enterprise," said Captain R. J. Celestre, chairman of the Pan Am Employees' Awareness Committee.



This way for Iran. Part of the consignment of 10,000 Avenger cars, which Chrysler is supplying to the Middle Eastern country, are pictured on the quay at Southampton awaiting shipment.

U.K. facing serious drain of talent, BIM conference told

FINANCIAL TIMES REPORTER

A WARNING that a management brain drain might soon begin in earnest was given yesterday by Mr. Leslie Coulthard, managing director of Leslie Coulthard International, the management consultants.

He told the British Institute of Management's one-day London conference on The Effective Manager—What is He Worth? that there was a disturbing degree of disenchantment among the management class.

"If effort, brain and talent justify no appreciable reward, people will seek other satisfactions, either abroad in management, where management is not a dirty word, or in less demanding but perhaps more rewarding fields at home where the rewards are quality of life, fewer ulcers and more time with our families."

Last year's emigrants from Britain, all skilled people, numbered 228,000—"a figure that speaks for itself."

Partly because of the "disastrous" tax system, the ratio between the pay of the top man and the average floor worker had narrowed considerably from about 15 to 1 before the war. At British Steel Corporation, for instance, it was about 6 to 1.

Mr. Terry Gerald, head of managemnt development at Shell International Petroleum, doubted if there would be a mass exodus of management talent, but said that there was a danger that people would become disenchanted with managemnt as a career and the best talents would choose the professions or the Civil Service.

The British business manager, had a lower standard of living than 10 years ago and had sunk down the international league table of executive pay.

Ten years ago, managerial salaries were broadly comparable in Western Europe but to-day only Britain and the Netherlands were on a par while the others had leapt ahead. If allowance was made for the sinking pound, Britain would indeed be the laggard.

Mr. Jack Lofthouse, personnel director of ICI, said that the growing difference in levels of pay between Britain and the Continent was becoming an increasing embarrassment to international companies trying of develop their managers on a world-wide basis.

If Britain was to re-energise and rebuild its industry to improve its world competitiveness, it had to reward people with qualities of "get up and go" in comparison with those who comfortably coasted along.

"We forget at our peril the saying 'The man who makes no mistakes does not usually make anything.' In Britain, we tend to over-reward the smooth conformist."

In a hard attack on differentials, Mr. Lofthouse said: "the gross salaries that we pretend to pay against our present tax system in order to ensure meagre net differentials are socially merely a disadvantage—a fiction one would be better without."

All fringe benefits were undesirable and people should be remunerated with money and so have the choice of how to spend it.

Fate of Rolls-powered Jumbos depends on Government order

BY OUR AEROSPACE CORRESPONDENT

BRITISH AIRWAYS is still strongly interested in using the more powerful version of the Rolls-Royce RB-211 engine, the Dash 524, in its future Boeing 747 Jumbo jets, and does not want to see the present Rolls-Royce/Boeing agreement on the project expire on May 30.

At present, the venture depends on there being another order for a Rolls-powered Jumbo beyond that promised by British Airways.

Only with such a second order will the U.K. Government help support this project financially, although it is already helping to develop the Dash 524 engine for the long-range version of the Lockheed TriStar.

Rolls-Royce cannot put up the additional £15m. needed itself, and Boeing, which has already spent several millions of dollars of its own money on the venture, sees no reason why it should spend more.

Boeing has already extended the deadline for its agreement with Rolls on several occasions, but is not now disposed to extend it further beyond May 30.

Accordingly, it seems likely that unless a second order for a Rolls-powered Jumbo emerges within the next fortnight, the agreement is doomed to expire. Boeing will then take its engineers off the project, an demploy them elsewhere.

This would almost certainly mean that those airlines round the world who have been showing interest—All-Nippon Airways of Japan is one—will immediately cool off, and the chances of getting any orders at all will disappear.

It would also rob British Airways of the chance of getting long-term "engine compatibilty," by having not only its TriStars but also its Jumbos all powered with the same engine.

The only possibility of saving the situation would seem to be if Boeing itself can be pursuaded to go on for a few weeks longer beyond May 30.

But it would only do that if either there were the chance of another order, or the U.K. Government were to change its mind and support the venture financially.

N. Sea oil group to spend £3bn.

BY RAY DAFTER

THE NORTH SEA partnership of Shell and Esso is likely to spend about £3bn. on oil exploration and production between 1975 and 1981, according to Mr. Peter Baxendell, chairman of Shell U.K. and a Royal Dutch/Shell Group managing director.

The total costs of developing just the Brent field, including its natural gas potential and associated pipelines and shore facilities, would exceed the current total Anglo-French contribution to the Concorde project. "The cumulative totals are staggering under the impact of raging inflation," he said.

Mr. Baxendell recounted the problems of extracting oil and gas from beneath the North Sea when he delivered the Thomas Gray Memorial Lecture to the North East region of the Royal Society of Arts in Newcastle last night.

The drive for oil was a "hazardous enterprise in a uniquely challenging environment," he said. Maximum effort and co-operation was needed from companies, local authorities and the Government to ensure that the job got done: that the industry earned a fair reward: and that Britain became self sufficient in a vital source of energy.

Success depended "upon the application of hard-won experience allied to a new and largely untried technology, on a scale and within a treacherous environment which the oil industry has only recently been called upon to face."

Importance of profit stressed

By Michael Blanden

THE IMPORTANCE of profit to industry was stressed yesterday by Mr. George Loveday, chairman of the Stock Exchange, when he presented The Accountant annual awards for the reports and accounts of quoted companies.

A better relationship between capital and labour, he said, would never be achieved until the public understood that profit was not a dirty word. No industry could flourish, nor could wages be paid without profits.

The awards were won by Pilkington Brothers for its accounts to March 1974, in the larger company category, and by Edgar Allen for the accounts to March 1974 in the smaller companies group.

Shell Chemicals plans energy-from-waste plant

BY RAY DAFTER

A £4m. PLANT to recover energy from waste materials is being planned by Shell Chemicals U.K. at Stanlow, Cheshire.

The plant, which will take two years to build, is designed to consume up to 35,000 tons a year of hydrocarbon wastes from Shell's Stanlow oil refinery and the chemical plants at Stanlow and nearby Carrington.

Planning permission is being sought for the project which is part of a £25m. expansion programme being carried out by Shell at Stanlow.

The company said yesterday that the plant would eliminate the present need to dispose of such wastes by land tipping. "It is a practice which we believe to be increasingly unacceptable from the social and environmental standpoint."

Process design of the new plant is being handled by Claudius Peters. Waste products, both liquid and solid, would be burnt in a specialised furnace system incorporating a high degree of control over emissions.

Green Paper

Shell said it believed that the proposed plant would complement the aims and objectives of the new Waste Management Advisory Council, promoted by the Government in last year's Green Paper, War on Waste, a Policy for Reclamation.

The increased level of investment at Stanlow follows a return to profitability by Shell Chemicals U.K. after several lean years of trading. The group has reported a positive cash flow of £9m. for last year. Pre-tax net income on a turnover of £248m. was just under £20m.

Summer time—and the food trade has it easy

BY ARTHUR SANDLES

MORE PEOPLE turn away from hom cooking to staff canteens, pubs, and restaurants in the summer months than at any other time of the year. Take-away food does better, but average spending on food in pubs falls heavily. These are among the latest findings of a survey on British eating habits by the Catering Little Neddy.

This is the second of the Trends in Catering reports being produced by the Catering Neddy and thus the pattern that is emerging could be produced by other factors—rising prices, changing tastes, for example—but this is thought unlikely.

In July and August of last year, 14 per cent. more people ate out than was the case in the preceding spring survey. They had 44 per cent. more meals, and spent 43 per cent. more money.

Hardest hit in terms of spending per customer as the sun began to shine was the food side of pubs, where spending dropped from an average of 58p to 39p. Even in hotels and restaurants, the drop was from 89p to 60p.

Couples with children seem to find the sumer a difficult time, suggests Neddy. "Spending by members of bouseholds without children rose from under half of the total in the spring quarter to nearly two thirds in the summer.

"There is evidence, however that members of households with children did not eat out during the holiday period to the same extent as others."

Even in the summer Britain remains a nation of quick eaters, who spend little. The average cost of a meal or snack at a place of work was 13p, and the overall average spending on a meal or snack out was 27p.

The norm for eating-out occasions last summer was five times a week. The biggest spenders by social grouping are men between the age of 25-44, the backbone of the pub and staff canteen trade, who spent 167p a week. The highest spenders regionally are the Scots, at 161p per week and the lowest live in the South East and South West, with 92p per week.

The survey, which showed average consumer expenditure last summer to be £29m. a week excludes tourists and people living in hospitals, prisons and boarding schools.

Trends in Catering, Hotels and Catering Economic Development Committee, Millbank Tower, Millbank, London SW1P 4QX Annual subscription, £35.

Tyne and Wear to boost Danish passenger traffic

BY OUR SOUTH SHIELDS CORRESPONDENT

TYNE AND WEAR County Council is ready to put up more cash to boost the Tyne's passenger traffic with Denmark. DFDS, the Danish shipping company, will be offered similar "promotional incentives" which last month persuaded the Bergen and Fred Olsen Lines to continue operations.

A delegation from the county council, North Tyneside Council and the Port of Tyne Authority will visit Copenhagen on May 28 to follow up talks started with DFDS a month ago.

Councillor Michael Campbell, leader of the county council, said yesterday: "We will be prepared to help the company with promotional assistance in the hope of increasing its traffic and business through the Tyne."

It is estimated that the county council, North Tyneside Council and the Tourist Board will be paying £180,000 anually over the next 10 years to promote the Norwegian passenger traffic through the Tyne.

The incentive to DFDS would not be anywhere near this as its passenger traffic is only about one-fifth of the Norwegian companies. Next year DFDS hopes to operate two sailings weekly instead of one in the Newcastle-Esbjerg summer service. There is also talk of starting a new service from the Tyne, possibly to Hamburg.

LORD GLENDEVON

Lord Glendevon points out that he is no longer chairman of the Historic Buildings Council, as he has resigned the post on medical advice.

Why counting the votes is a headache

BY MALCOLM RUTHERFORD

ANNOUNCING THE details of the referendum count yesterday, Sir Philip Allen, the Chief Counting Officer, said it had become clear the arrangements were "rather more complex than might appear at first sight," and proceeded to explain why. Indeed it quickly became clear that some of the details have not yet been established, including the possibly crucial matter of the procedures for a recount.

A recount could be necessary at two levels. The first is the county level, but even here it is not clear what degree of closeness in the vote would justify a recount demand. It was not, said Sir Philip, necessarily just a matter of multiplying the degree allowed in a parliamentary constituency election by the same factor as the increase in the electorate. Sir Philip is consulting the Royal Statistical Society about this, one of whose honorary vice-Presidents is Mr. Harold Wilson.

The second recount problem could be at the national level. It is entirely possible that all the counties could produce decisive results, but that added up in the national count they could produce something like a dead heat. Sir Philip admitted that this is a nightmare he has not fully contemplated.

Sir Philip was also vague about the foreign exchange markets. Whether they would be open or closed on Friday, June 6—the day the first results come out—was a question that had been taken up with the Treasury. The Treasury denies this. A spokesman said afterwards there were "no plans whatsoever" to close the markets and, in any case, the markets would take a view of the referendum in advance.

More doubts

Sir Philip thought the question of the markets could become very much more real if there had to be a recount—presumably stretching through Monday, June 9, and perhaps beyond. But again the Treasury insisted that there were no plans to close them. The markets don't work like that, said a spokesman.

Even the timing of the first result is in some doubt. This is expected to come from the Isles of Scilly around noon on Friday, June 6, but the qualification is "subject to the winds and the rain."

Some areas have yet to decide where the count will take place. Manchester toyed with the idea of the local zoo, but has now come down in favour of the city exhibition hall. The South Yorkshire count will take place on Doncaster race course, and that for London in Earls Court, employing around 1,000 counting officers.

Sir Philip himself will be on station at Earls Court throughout. Each county result will be telephoned to him and, provided he is satisfied that all is well, he will then allow it to be announced locally—giving the the local people their moment of glory.

There is also the question of security, which Sir Philip did not want to go into too deeply. "Obviously," he said, "we are conscious that the scope for mischief is much greater than normal—including simple hoaxes." Sir Philip said all this was being looked after.

Peart stands by claim of no more cheap food outside market

FINANCIAL TIMES REPORTER

MR. FRED PEART, Minister of Agriculture, reacted vigorously to the charge by an anti-Marketeer from New Zealand that he had told an "untruth" in claiming that there would be no more cheap food from overseas, even if Britain left the European Community.

In a statement issued from his Ministry, Mr. Peart said: "I wish to repudiate the statement made yesterday by a representative of the New Zealand Common Market Association.

"He suggested that I had told an 'untruth' about cheap food from overseas. What I have said is that it would be foolish to suppose that we can return again to a situation of some years ago and rely on cheap supplies from overseas. So far as dairy products are concerned, it is true that New Zealand is an efficient producer. But she supplies only part of our import requirements.

"New Zealand's costs of production and of transport have been increasing. The New Zealand Government has been pressing for increased returns from the U.K. market. Moreover, during the past year, when more remunerative markets opened up in the U.S. for cheese, the New Zealand Dairy Board understandably sent supplies there rather than to the U.K.

"As the Government White Paper on renegotiation explains, we have negotiated a significant improvement in the access arrangements for New Zealand under Protocol 18 of the Accession Treaty. Throughout these negotiations we have been keeping in the closest touch with the New Zealand Government."

A junior Minister warned yesterday that Britain inside the Common Market faced a never-ending escalation in food prices. Mr. Eric Deakins, Parliamentary Under-Secretary of State for Trade, said: "The rise so far is only the beginning of what we are bound to suffer if we remain inside the EEC."

Speaking at a news conference in London, organised by the National Referendum Campaign, he added: "Food prices in the EEC will keep rising year by year in a process that will never end."

Britain was still a transitional member and, in additional to annual inflationary rises, she would have to bear extra increases designed to align our prices with the Market by 1978.

Citing reasons for the price spiral, the Minister said EEC nations were trying to close an earnings gap between agricultural and industrial workers which had so far only widened. Food costs in Britain and Ireland had soared 46 per cent. in the last three years compared with 23 per cent. in Norway and 18.4 per cent. in Sweden, both non-member States.

Britain 'strengthens EEC will to aid developing nations'

BY IAN DAVIDSON

BRITISH MEMBERSHIP has increased both the will and the ability of the European Community to carry out its worldwide responsibilities towards the developing countries, according to a pamphlet, Europe's Wider Horizons, published to-day by the Federal Trust.

Its author, Mr. Uwe Kitzinger, Ford Fellow in European Politics and former adviser in the Cabinet of Sir Christopher Soames, vice-president of the European Commission, concedes that the Community has not gone far enough in the new directions in which it has begun to turn.

He claims, however, that the Lomé Convention with the 46 developing countries in Africa, the Caribbean and the Pacific (many of them from the Commonwealth) marks a major step forward.

Mr. Kitzinger concludes that the Community offers the best prospect for implementing British aspirations of a more constructive policy towards the developing world.

"There are thousands of men and women in Britain with progressive ideas on how the whole relationship between the world's poor and rich nations—and those in between—should be constructed for the future.

"It is in and through the Community that they will have more power to their elbow than they ever could in a Britain that had withdrawn from the common task."

Europe's Wider Horizons, by Uwe Kitzinger, Federal Trust, 12a Maddox Street, London, W.1.

Nautical warning from Heath; plainer talk from Crosland

BY JOHN BOURNE, LOBBY EDITOR

MR. EDWARD HEATH yesterday endorsed the argument put forward by Mr. Anthony Crosland, Secretary for the Environment, on Tuesday: that leaving the Community would deprive Britain of any life raft—"not even a shred of seaweed at which to clutch," said Mr. Heath—in an uncertain economic world.

The former Tory leader was inevitably the one to use the nautical metaphors, but the Secretary for the Environment had explained the matter in plainer terms. "We cannot afford any more uncertainty," said Mr. Crosland at a London dinner. "We now have to judge the case for staying in against a background that is infinitely more serious than any of the crises we have faced over the past 20 years. I am sure we can best face it from within the EEC."

He had asked whether there was any doubt that a decision to withdraw would add enormously to the uncertainty of Britain's economic position. "We cannot know what new trading agreements, if any, we would be able to make with EEC—and it would take a long time for these to be negotiated. Time is a commodity we do not have.

"So our industry would have no secure base from which to plan the expansion of investment and exports we so badly need. We should have to write off what has already been invested in an EEC future for Britain, without the time to build an adequate substitute."

Mr. Crosland added that Britain would still need to borrow from abroad because it could not pay its way by its own efforts. "We need the confidence of others in our ultimate ability to solve our economic problems. Can we afford the risk that others, particularly our European partners, but also our Commonwealth partners, would feel less confident in us and therefore less willing to take risks to take us out? I believe a decision to withdraw would be an act of folly."

Speaking in Southend, Mr. Heath said that outside the Community, in the present choppy, sometimes turbulent waters, Britain would be at the mercy of every wind, every gale, every hurricane. "We are now living in a new world of uncertainty and danger. More and more our lives are directly affected by events over which we have little or no control."

Mr. Heath also returned to the attack on Mr. Wedgwood Benn's view of the world. Outside the Community, he said, Britain would be forced to turn to Mr. Wedgwood Benn and the disaster which would follow. "He would be leading us into his version of the promised land—not flowing with milk and honey, but swamped with ration books and State directives. So there is now more at stake in this referendum than some people realise."

Community bureaucracy 'not excessive'

STRASBOURG, May 14.

THE COMMON Market has four officials for every 100,000 EEC citizens while Britain has 300 for every 100,000 Britons, the EEC Cmomission said to-day.

It added that every EEC citizen pays the evivalent of 50p to support the Community bureaucracy while each Britain pays £24 to support the British Civil Service.

"The costs of the Community bureaucracy, therefore, are not an excessive burden on the British population," Commissioner Albert Borschette told the European Parliament.

British Conservative Parliamentarians asked M. Borschette and other commissioners a series of questions in the hopes of receiving pro-Community answers before the British referendum.

The Commission also said that British food prices would be much higher if the country had not joined the EEC.

Mr. Pierre Lardinois, the farm commissioner, said the prices of beef and dairy products in Norway, not a member of the Community, were 50 per cent. higher than in Britain. Bread prices were 80 per cent. higher.

The Common Agricultural Policy must take the credit for keeping Community food prices down, he claimed, adding that the price of sugar in Britain was about half the world market price.

Reuter

GLC advises Londoners to vote Yes

The Labour-controlled GLC voted yesterday in favour of a Conservative motion "urging the people of Greater London in the referendum on June 5 to vote Yes to our continued membership of the European Community."

The voting was 44-28, a majority of 16.

Sir Reg Goodwin, Labour leader of the Council, voted with the Conservatives in a free vote.

Earlier, a Labour amendment which would have meant that the Council would not have taken a decision was defeated 41-24, a majority of 17.

The Conservative motion, moved by Mrs. Lena Townsend, advised Londoners to vote for continued membership of the Community "to maintain and develop the industrial, commercial and social advantages already gained for London through our membership."

REFERENDUM REPORT—EAST LONDON

Sinking under a wave of apathy

In the East End, it is a struggle to arouse public interest, finds William Keegan

EVEN IN 1975 the image of East London is a weird amalgam of Petticoat Lane, the docks and Fords at Dagenham, shrouded in vestigial memories of Sherlock Holmes and assorted detectives confronting foggy villains among the wharves of Limehouse. In fact the typical resident of the area is more likely to work in central London or one of hundreds of firms—engineering and chemical works; furniture factories; and a host of light industrial and service activities—which operate in the area.

The ragged ribbon development of the Eastern Avenue seems to epitomise the way the referendum has hit the local Labour parties in this stronghold of theirs. The Labour MP for Hackney South and Shoreditch is Mr. Ron Brown, who, like his brother Lord George-Brown, is a passionate pro-Marketeer. The local party's stand on the Common Market was described to me as "nothing—in the interests of party unity," and the party is not participating formally in the campaign at all.

Terry Kirk

Shoppers at a London Co-operative Society Newham store receive anti-EEC literature from (left) Mr. Alf Lomas, Political Secretary of the London Co-op, and Mr. Jack Smith, its eastern area political committee organiser.

Despite his known pro-European stance, Mr. Brown does not, at this stage, have any known public speaking engagements within his constituency on the subject of the referendum. This is being interpreted as a deliberate decision not to risk widening the fissures in the local party.

Up the road in Hackney Central the local Labour Party, like its MP, Mr. S. Clinton Davis, is anti-ECC. Yet between them these constituency Labour Parties have produced a lot of members of the ad hoc alliance Hackney For Europe, whose committee includes a Labour president, Conservative chairman and Liberal secretary.

In the solidly working class Dagenham division of Barking we have a pro-market MP, Mr. John Parker, whose local party voted anti-ECC by a narrow majority of three. The Dagenham Labour Party is not campaigning against the EEC as a party, although its anti-Marketeers have teamed up with the local Get Britain Out group, led by the AEUW. Meanwhile Mr. Parker, like Mr. Ron Brown in Shoreditch, appears to be keeping "a low profile."

Various interpretations are being put on the emergence of "all party" alliances during the referendum campaign. Mr. Ben Dixon, the Liberal chairman of the Havering For Europe group, says members of local parties were wary of getting together; it was only when pro-market Labour people came forward that the Liberals were prepared to be seen aligning themselves with the Conservatives in the group.

"One wonders now why we're all in different political parties," says Dixon. "One wonders whether we're all going to break up after the referendum."

The popular impression that most of industry and commerce is pro-Europe is correct. But this does not necessarily mean firms are actively canvassing their workers. Indeed, one of the most famous companies in this region is at pains to avoid saying what everybody knows it believes. As one shop steward put it: "If the company was guilty in the slightest way of trying to persuade the workforce, the boys would scream."

Efforts at persuasion under the Get Britain Out umbrella are emanating in particular from the London Co-op Political Committee and the London Trade Union Anti-Common Market campaign. The Transport and General Workers Union, the Amalgamated Union of Engineering Workers, and Mr. Clive Jenkins's Association of Scientific, Technical and Managerial Staffs are all prominent in the union campaign in east London.

Emphasising that it is neither anti-Europe nor anti-Common Market, the Co-op in East London has been campaigning vigorously against our staying in. What is more, it has been handing out leaflets to its own shoppers, reminding them — as if they need it — that prices are rising, and putting the blame squarely, if not fairly, on the Common Market. In doing so, the Co-op has pinpointed one of the central issues of the referendum. For in the view of a remarkably high proportion of people — especially wives — canvassed by the pro and anti Europe groups the coincidence of the worst rate of U.K. inflation on record and EEC membership is, quite simply, a case of post hoc ergo propter hoc.

"In this nation's declining years people are going to blame someone, and the Common Market is the perfect scapegoat" is the way one canvasser put it. The Get Britain Out movement is also harping on such absurdities of the EEC as the butter mountain or the dumping of meat in east Europe which comes back as goulash at twice the price.

The anti-Europe campaign also plays on British conservatism. I have had to modify—but not necessarily alter completely—my own personal view that the country's natural conservatism, which might have been the biggest barrier to EEC entry if there had been a referendum three years ago, is now going to keep the country in.

The "conservative" view I expected to hear—"I was against going in, but now we're in we might as well stay in"—was echoed all the way from Spitalfields to Dagenham, but not all that often. On the other hand, there are many people for whom the "loss of sovereignty" argument, in various guises, and the threat of almost anything that Brussels *might* cause to happen, are powerful influences. So, however, is the fear fomented by the pro-Europeans of a naked, friendless Britain whose goods could suddenly be unacceptable to other EEC countries.

Indeed, it becomes increasingly obvious as one talks to people that the two sides in the campaign will be attempting not so much to influence minds as matter—in the shape of the "gut reaction" which appears to be at the centre of the nominal referendum issue. I stress "nominal," because it is certainly not an abstract theory of Mr. Wilson's London cocktail party circuit that for many people — including moderate trade unionists—the question "shall we stay in Europe?" has been replaced by the question "do we want Mr. Wedgwood Benn?"

As to who is benefiting on balance from the interplay of all these factors, the answer, in East London, appears to be that the pro-marketeers are by no means as home and dry as the opinion polls suggest. There is no direct correlation between, for example, membership of the T&GWU and being against the market: and I have met pro- and anti-market shop stewards at Fords, for example, who think the "ayes" have it. But the impression of campaigners from such varying standpoints as the London Co-op and the Newham In Europe group is that the underlying support for Get Britain Out is much stronger than the opinion polls suggest.

But the most common theme of both sides in the East London campaign so far is the one the pro-market side has feared for so long: apathy. Admittedly there are three weeks still to go. But both the canvassers' findings in the field, and the attendances, or lack of them, at meetings point uniformly to a low level of public interest in the referendum. So far, by comparison with the obsessional interest in Italy last year in the divorce referendum—when one could not escape the posters and heated discussions anywhere—the EEC divorce referendum has generated about as much public interest in East London as the average paving stone.

PARLIAMENT

Cabinet colleagues remark withdrawn

Opposition seize on Benn 'slip' in redundancies row

BY JOHN HUNT

MR. ANTHONY WEDGWOOD BENN, the Industry Secretary, was the centre of uproar in the Commons yesterday when he claimed that not only Conservative leaders, but members of the present Labour Cabinet as well, had a passion for redundancies which was motivated by a hatred of the working class.

He hastily corrected this reference to his own Government colleagues and explained that it was a slip of the tongue made in the heat of the moment. But he then followed it with a further qualification which indicated that his criticisms could well be applied to some members of his own party.

Mr. Benn's slip came at the end of exchanges following his announcement that the Government was putting £15m. of new capital into Ferranti, thus acquiring effective control over the company.

Up to that point, he had not put a foot wrong. Replying to a Tory attack led by Mr. Michael Heseltine, the party's industry spokesman, he delighted his own Left-wingers with denunciations of the bankruptcy of Tory industrial policy.

The trouble started when Mr. Winston Churchill (C., Stretford) wanted to know how many redundancies would be required now to make the company prosperous.

Awkward

Mr. Benn replied: "The passion for redundancies by secure and well-paid people like you, including Cabinet Ministers of the present party opposite, or even present Cabinet Ministers, indicates that underlying their apparent claim for efficiency lies a hatred of working people."

At this, the Tory benches erupted in fury with Rear Admiral Morgan-Giles (C., Winchester) leaping up and down, pointing at Mr. Benn and shouting: "You ought to be ashamed of yourself."

As the Speaker urged the Rear-Admiral to restrain himself, Labour MPs, apparently missing Mr. Benn's point about their own Cabinet Ministers, shouted back at the Tories.

Eventually, Mr. Enoch Powell intervened to put his former colleagues in the Conservative party on the spot with an awkward question.

He asked Mr. Benn to tell the Conservatives: "That they can neither defend nor expound capitalist enterprise until they are prepared to proclaim that there is no substitute for bankruptcy."

Mr. Benn declined to be drawn into this "historic dispute" but observed that it seemed to reveal that the Conservative attachment to bankruptcy had now extended to their own policy.

However, his earlier remarks were too tempting for the Opposition to resist. Sir Anthony Royle (C., Richmond-upon-Thames) wanted to know if Mr. Benn really meant that members of the present Cabinet favoured redundancies.

Mr. Benn replied that if he had given the impression that he was referring to members of the Cabinet, then he withdrew it.

But this failed to satisfy Mr. Jeremy Thorpe, the Liberal leader. He had understood the Secretary of State to say that many in the House, including Cabinet Ministers, advocated redundancies although they would not be prepared to accept them themselves.

Mr. Benn told him that he had made it quite clear that if, in the heat of the moment, he had made a slip of the tongue, he had corrected it to the House.

But he then rubbed in his earlier remarks by adding: "Well paid and secure people in any walk of life or any party are not strongly placed to demand redundancies in British industry."

There were some Tory cheers as Mr. John Davies who, as Secretary of State for Trade and Industry in Mr. Heath's Government, had made the famous "lame ducks" speech, advised Mr. Benn that the bankruptcy of individual firms was perhaps preferable to a policy which lead to the bankruptcy of a whole nation.

Mr. Benn snapped: "I yield to you in expertise in these matters since you bankrupted Rolls-Royce and Upper Clyde Shipbuilders and then brought them back into the Government sector."

From the Opposition front bench, Mr. Heseltine condemned the agreement with Ferranti as "an unnecessary and expensive deal."

The statement, he said, contained no indication of how profitability was to be achieved nor any indication of commitments from the unions that would help towards this end.

Peer wants tighter animal tests law

SOAP AND SHAMPOO and things which washed whiter than white were tested on animals, Lord Houghton of Sowerby, said in the Lords yesterday.

Lord Houghton added. "You name it, and some animals will have been forced to eat it, have it put in their eyes, have it injected, or have their fur shaved to see its effect on their skin." He claimed that the Home Office had widened the interpretation of the 1876 Cruelty to Animals Act beyond the bounds that were justified. Shampoo had been tested on rabbits, not by having their fur washed in it, but by having it instilled into their eyes.

"Nine rabbits are tested by having shampoo put in their eyes. Six have their eyes washed, but the other three are not so fortunate. Their eyes are assessed at intervals of 24, 48 and 72 hours, and four and seven days, or as long as the injury persists.'

Lord Houghton urged the Government to undertake to prepare legislation on the recommendations of the Littlewood Committee on experiments on living animals. As an alternative, he suggested the setting up of a Select committee to investigate the Littlewood report.

Lord Platt, former president of the Royal College of Physicians, said the subject raised important moral issues. He said that during his membership of the Home Office advisory committee on animal welfare from 1961 to 1972 it had met only five times and advised on 19 cases.

Since he had resigned from the committee, he understood it had met only once to consider two cases.

Lord Platt urged the setting up of a Select Committee to consider the recommendations of the Littlewood committee, and asked if the Government would look kindly on a Private Member's Bill to revise the 1876 Act, if they were not prepared to draft legislation of their own.

Sri Lanka tea estate talks planned by Trade Secretary

TRADE SECRETARY, Mr. Peter Shore, has invited the President of the Ceylon Association and colleagues, to discuss a report by a group of MPs and their recommendations to improve conditions of workers and families of British tea companies in Sri Lanka.

Mr. Shore, in a Commons statement yesterday, said that "a solution to the wider problems of the tea industry must be sought on an international basis."

Mr. Shore said that until the meeting had taken place with the Ceylon Association it would not be right for him to comment on the detailed recommendations.

But he paid tribute to the team, led by Mr. Thomas Williams (Lab., Warrington), for producing "what will be recognised as practical and constructive proposals for improving conditions."

During discussion on commodities at the recent Commonwealth conference, the Prime Minister had given special emphasis to the importance and value of an effective international agreement on tea.

Mr. Shore added: "We will continue to pay particular attention to this in our further consideration of commodity questions."

Mr. Terence Higgins, Conservative trade spokesman, asked for clarification on the precise status of the report and whether it confirmed or repudiated allegations in a Granada "World in Action" programme.

He asked if commodity agreements would be concerned with stabilisation of tea prices or with the raising of tea prices, in the context of the report.

Mr. Shore replied that the report had been published by the Department of Trade, but was on "investigation carried out by MPs."

Referring to the Granada programme, he said that the MPs' own conclusions suggested differences from those presented on the television programme.

"But I do not think there is any difference between the team in their general assessment of the real conditions of stress in Ceylon generally and on the tea estates, and the conditions, also revealed in the general sense, in the TV report."

Turning to commodity arrangements, Mr. Shore said that it was a little too early to say which of these two elements — stabilisation of prices or increase of prices—would receive the greatest thrust of the discussions. "But I would have thought myself that both of these elements were important in an international commodity agreement on tea."

Sir John Rodgers (C. Sevenoaks) commented: "This programme 'World in Action,' has done vast damage to British interests, not only in Sri Lanka but to a much wider audience. Those of us on the mission found that the programme lacked balance, included a degree of distortion and justifiable grounds for complaint."

Sir John added: "Would you take up with your colleagues the possibility that should now be set up some kind of body that British firms could appeal to, such as the Press Council, which would apply to television programmes.

"This is a scandalous misuse of the most important communication media we have in this country."

Mr. Shore replied: "I do not want to enter into this controversy. I hope very much damage was not done to the reputation of British companies. The report says that the problem is not just one of British companies but of all tea estates in Ceylon.

"The underlying theme of both the report and the Granada programme, is the sheer problem of poverty and misery which so many countries—including Ceylon—and their governments are having to face."

Mr. Kevin McNamara (Lab. Hull C) said: "This House, and the whole country, owes a considerable debt to Granada for wakening our consciences as to the price of a cup of tea in this country."

Minister hints at Lab-Tory talks

By Justin Long, Parliamentary Correspondent

FOR THE FIRST time yesterday, a Minister envisaged the possibility at some point of private discussion between Mr. Harold Wilson, Prime Minister, and Mrs. Margaret Thatcher, Opposition leader, on the economic situation and appropriate measures to deal with it.

Lord Beswick, Minister of State for Industry, who was pressed on this issue in the Lords, said the time might come when such discussions could be fruitful, "but I suggest not immediately," he stressed.

Even with this qualification, however, Lord Beswick's view was in sharp contrast to the firm rejection by many Labour MPs of any mutual policy-making which savoured of coalition with the Tories.

It was Lord Shinwell, independent-minded elder statesman of the Labour party, who raised and enlarged the question yesterday. He urged the Government to get the Opposition to submit its views to the Cabinet, and for discussions to be held between the parties.

"The public is becoming a little bored with public confrontation between the leaders, and bickering when no satisfactory results are accruing," Lord Shinwell declared.

Lord Beswick said he shared this wish to see the atmosphere of confrontation removed from public discussion. "As to the possibility of private discussion between the two leaders, timing in these matters is important," said the Minister. And then added his opinion that the time for such discussion was not yet opportune.

During the exchanges, he pointed out that members of the Opposition had many opportunities to make known their views on these subjects.

Lord Carrington, leader of the Opposition peers, said that if the Government made proposals to remedy the present serious economic situation, they would be supported by the Tories if the measures were in the national interest.

"At the same time, we shall expect an acknowledgment of the seriousness of the situation and want a constructive lead to be given—rather than the complacency we had to listen to last Sunday," he told Ministers.

Lord Beswick, retorting to this indirect reference to the broadcasts of Mr. Wilson, maintained that Lord Carrington had just provided an example of the unhelpful, bickering atmosphere.

Lord Shinwell intervened to make it plain that he was not advocating a coalition, which he considered would be disastrous. But he urged Lord Beswick to put to the Prime Minister the proposal that discussions should be held between the parties.

Lord Beswick assented, but suggested that Lord Shinwell, who had "very close connections with the Prime Minister," could also make such representations himself.

Houseboat dwellers need security–MP

THE ENVIRONMENT Department regarded the Englishman's home as his castle only if it happened to be on dry land, Mr. Toby Jessel, (C., Twickenham) said in the Commons yesterday.

He was moving his Residential Boats (Security of Tenure) Bill to which MPs gave an unopposed first reading. It seeks to protect houseboat dwellers.

Mr. Jessel said: "What is at stake is the security and freedom from harassment and fear of a group of our fellow citizens who have been accidentally excluded from the protection which is given to practically everyone else."

He added that people who lived in houseboats usually owned their own boats, but the owners of the land where they were moored normally had a right to evict them from their moorings and cast them adrift so that they became homeless. This had happened 80 times on the Thames in the last three years.

New moorings were difficult to find and the boat might have to be sold below its value because it had no moorings.

Divorce law 'misery' for Scots–MP

SCOTS WERE emigrating to England to qualify for divorces, Mr. Robin Cook (Lab, Edinburgh Cent.) claimed in the Commons yesterday. "The Scottish Office has not taken any steps to reform the laws in Scotland and end this misery to human beings," he added.

Progress on Mr. Cook's private members' Bill to reform the Scottish divorce law has been "blocked" by opponents in the Commons for ten weeks.

Development Land Tax Bill to be put off

BY JOHN BOURNE, LOBBY EDITOR

THE GOVERNMENT intends to postpone its Bill for a new Development Land Tax—promised in the Quen's Speech last October—until the next Parliamentary session because of the length and complex technicalities of the legislation.

The Inland Revenue published some details of the proposed tax last February and this was followed by consultations with professional bodies and other outside interests.

The Government's present plan is to publish a more detailed account of its proposals in a White Paper before the summer recess, it is hoped, and then hold further consultations before producing the Bill.

According to the Inland Revenue statement, the tax would not be chargeable on any land transactions completed before the end of this year; the initial rate would be 80 per cent.; and the tax would apply to increases in land value at the start of material development, or on the disposal of the freehold or other interest in the land.

Free family planning soon

THE NEW FREE family planning service to be provided by GPs would begin on July 1, Minister of State, Health, Dr. David Owen, announced yesterday in a Commons written reply.

Dr. Owen said that agreement had been reached with representatives of the doctors and pharmacists on the prevision of the free service. It would be additional to and complement that already available through family planning clinics.

GPs would be able to prescribe contraceptive drugs and female appliances, but not the male sheath, and these NHS prescriptions would be exempt from the usual prescription charges.

Medical products for review

THE FIRST three categories to come under the Government's review of licences for medical products, were announced yesterday by Dr. David Owen, Minister of State, Health and Social Security.

He said that they were: non-steroidal anti-inflammatory preparations (products promoted for the treatment of rheumatism and similar conditions); analgesics and psychotropics, (including preparations with sedative, tranquillising or anti-depressant actions)

Dr. Owen said that these had usage, combined with a high degree of possible hazard. In all, these categories comprised some 4,000 different products. He hoped that the consideration of the first categories would be well under way by the end of this year.

He had asked that at the same time, an assessment should be made of categories which contained fewer products, but which presented a particular problem.

The first such small categories would be anabolic steroids, antibiotics for use in the ear or nose and appetite suppressants and slimming aids.

LABOUR NEWS

Massey Ferguson workers extend strike indefinitely

BY OUR MIDLANDS CORRESPONDENT

MORE THAN 200 staff at the Massey Ferguson tractor plant at Coventry are working from half-a-dozen hotels in the area because strike pickets have blocked entry to the company's offices. Others are working from home.

A decision to find and picket the hotels was taken yesterday at a mass meeting of the 4,500 hourly-paid workers at which they agreed to extend their fortnight-old pay strike indefinitely and to intensify picketing.

Their action has halted production of 1,700 tractor sets a week since the beginning of the month.

As at the Chrysler plant, most of the strikers are members of the Transport and General Workers or the Amalgamated Union of Engineering Workers. This is the first time that there has been an all-out strike by Massey's production workers who yesterday rejected an improved offer that averages £7.44 a week.

Also in Coventry, 700 staff at Dunlop Engineering, now in the fourth week of a pay strike that has made nearly 20,000 others idle, will be awaiting the outcome of resumed talks to-day.

The company has made two improvements on an original offer in response to a demand for an extra £10 across the board, but they have been rejected on the grounds that they are discriminatory against the women—who number 500 of the 700 on strike.

Hopes of resolving the dispute quickly seem slender. After 14 hours of talks extending over two days, the best that could be said in a joint statement was that "some progress has been made." The talks are being resumed to-day.

Meanwhile, British Leyland is laying off another 2,500 car workers at Coventry and Liverpool, bringing the total to nearly 17,000. Lack of wheels and suspension units from Dunlop Engineering has halted eight models in the Austin Morris and Rover Triumph divisions and losses are running at the rate of about £20m. a week to add to the estimated £25m. already lost.

All five divisions at Dunlop Engineering making components for aerospace, motor and general engineering are at a standstill, with almost all 2,800 labour force laid off.

Dons' average 18% offer goes to arbitration

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

THE DISPUTE over university teachers' pay is to go to arbitration, it was agreed in London yesterday after a meeting between Mr. Reg Prentice, Secretary for Education and Science, and representatives of the Association of University Teachers and the university authorities.

Mr. Prentice said later in a Commons written reply to Mr. Robin Corbett (Lab, Hemel Hempstead), that the Government had offered the dons a "catching-up" rise, to come into force in October, averaging about 18 per cent.

The increases would range from 31 per cent. at the bottom of the pay structure, through about 15 per cent. in the middle to 17 per cent. at the top.

The offered scales would be (present, threshold-excluded figures in brackets):

Lecturers £2,778-£5,634 (£2,118-£4,896); senior lecturers and readers £5,454-£6,804 (£4,707-£5,976); professors' minimum £7,000 (£6,105) and average £8,500 (£7,257).

On top of these, the Association of University Teachers would, assuming no change in pay policy, be able to negotiate a cost-of-living increase covering the 12 months to October.

The Government claims that the "catching-up" offer would bring the university lecturers up to broad parity with comparable staff in polytechnics and colleges.

The AUT—whose members have been restricted to a Stage Three 8 per cent., plus thresholds for 1974-75, while non-university teachers' rises totalled about 35 per cent.—is demanding, however, a "catching-up" increase averaging about 36 per cent.

The union's proposed scales are: lecturers £3,078-£6,501; senior lecturers and readers £6,285-£7,941; professors' minimum £8,106, and average £9,636.

If the arbitrators try to give dons a just parity with non-university counterparts, they will face a complicated question.

The comparable non-university scales (thresholds excluded) are now: lecturers £2,670-£5,412; senior lecturers £5,001-£6,429; heads of major departments £6,270-£7,599.

These scales, however, will be raised by a cost-of-living award—now with the independent Advisory, Conciliation and Arbitration Service—backdated to April 1.

Another complication is whether, and if so by how much, the university teachers should be compensated in October for their current year's real-terms salary losses, which they have suffered because of Mr. Prentice's insistence that the social contract prevents any adjustment to their 1974-75 Stage Three rise.

Threshold pacts urged

BY OUR LABOUR STAFF

LEADERS of the Confederation of Employee Organisations, a 70,000-strong group of white-collar workers mostly organised in staff associations, yesterday advised their members to seek continued threshold agreements in defiance of Government policy.

Mr. Cyril Kempson, general secretary of Barclays Group Staff Association and chairman of the CEO, told the organisation's annual conference in London that quarterly pay rises in line with the rise in the Retail Price Index were the only insurance members had against failures of the social contract.

The only alternative was to allow annual settlements to anticipate price increases.

In line with the more moderate line an organisation of white-collar employees who refused to join trade unions could be expected to take, Mr. Kempson said that if employers faced real economic problems, then the employees should settle for a pay increase just compensating for past rather than future inflation.

Life-long Communist takes EPEA post

THE 31,000 Electrical Power Engineers' Association, which bans Communists from holding office, has appointed a life-long Communist as its new South-West area secretary.

Mr. Bernard Panter, a member of the Communist Party's national executive from 1969 to 1971 and a former Parliamentary candidate for the party in Manchester, will take up his new duties on May 26.

His decision has been "strongly condemned" by the Communist Party because he recently contested an election to find a new national organiser for the AUEW, of which he was Manchester secretary for three years until being deposed last year.

Mr. John Lyons, general secretary of the Power Engineers, said yesterday: "Mr. Panter advised us in writing that he had left the Communist Party at the end of last year."

The Communist Party offices in London and Manchester both said that no notification of Mr. Panter's resignation had been received.

A Communist Party statement said: "We strongly condemn his action as a breach of trust with his fellow trade unionists who supported him and many who worked hard on behalf of his candidature."

Strike may close Lucas aerospace plants on Monday

BY OUR LABOUR STAFF

LUCAS AEROSPACE division plants which produce components for Concorde, the TriStar and Boeing 747, may be closed by strike action from Monday.

The division's 13,000 workers are considering a recommendation by their shop stewards that they should stop work in sympathy with 1,600 workers "sitting in" at the company's Wolverhampton plant in a dispute over pay.

The dispute started with a demand by the 8,000 members of the Amalgamated Union of Engineering Workers among the aerospace division workforce that pay should be linked to the cost of living index.

According to the management, they resorted to "disruptive practices" at several plants when the company refused to meet the claim.

Disruption was worst at Wolverhampton, where workers were told they would not be paid any more from last Monday unless they resumed normal working.

When the 1,600 turned up nonetheless, the company shut off power supplies to the production lines. For the past three days, the men have been "sitting in" during shifts, but no attempt has been made to occupy the factory.

Lucas Aerospace is the largest equipment supplier to the aeronautics' industry outside the U.S. It works chiefly for export and supplies components for the Soviet Union's TU-144 opposite number to Concorde, for the Anglo-French Jaguar, and the European airbus. The company's export earnings amounted to £61m. in the last financial year.

Shipyard workers sit-in

FORTY-ONE workers, including two women, yesterday took over a Clydeside boatbuilder after the management had told them that the yard would be run down by September 26.

The Argyll Ship and Boatbuilding Yard went into liquidation on April 4 and Hull Gates, which was having a trawler built, took over responsibility and appointed a Yorkshire company to manage the yard on its behalf.

On Tuesday the workforce was told that the owners wanted their boat completed by September 26 and that if this was not accepted, the yard would shut at lunchtime.

Yesterday the 41 workers unanimously rejected the ultimatum

British Steel craftsmen seek 20% plus increase

BY LORELIES OLSLAGER, LABOUR STAFF

BRITISH STEEL Corporation yesterday received the last major pay claim on behalf of its manual workers this year. It is aimed at a 20 per cent. pay rise plus cost-of-living protection for about 35,000 craftsmen.

This would be lower than the 35 per cent. and 30 per cent. demands tabled on behalf of 13,000 blastfurnacemen and 70,000 manual workers represented by the Iron and Steel Trades Confederation earlier. The craftsmen's demand for a 1 per cent. pay rise for each percentage increase in the cost of living over the coming 12 months, however, makes their claim difficult to reconcile with the social contract.

The craftsmen did not put a percentage to their claim for a "substantial" pay rise, but their leaders are known to be thinking in terms of 20 per ectn., including improved shift allowances and an additional one and a-half days' holiday a year.

The index-linking of pay from the date of the new settlement onwards was first introduced by BSC in the payment for white-collar staff several months ago, and is now figuring in all the other pay claims.

In the meantime, about 5,000 steelworkers in Scotland have decided to hold a token one day strike on Monday and send a delegation to London to lobby the talks between the TUC steel committee and the British Steel Corporation on redundancies.

Shop stewards at the Shelton works are continuing their efforts to organise a blockade of steel imports should the talks on Monday fail to produce an agreement.

IN BRIEF

Agreement ratified

The Engineering Employers Association management Board ratified the national engineering pay agreement giving 1.25m. engineering workers 31 per cent. minimum rate increases by the end of next February. The agreement is due to be signed next week by the EEF and the Confederation of Shipbuilding and Engineering Unions.

Offer rejected

About 3,500 Swan Hunter boilermakers have rejected a pay offer that would give staged increases totalling £3.60 a week over the coming year and made in reply to their demands for a £7-a-week increase on the £53 average weekly earnings level. They have already received rises totalling £3.50 over the past three months.

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Results for the 6 months ended 31 March, 1975 (unaudited)

(£ million)	First 6 months to March 1975	March 1974
SALES—UK	455	405
—Overseas	388	336
—TOTAL	843	741
of which direct exports from UK	273	218
(losses and charges in brackets)		
LOSS BEFORE INTEREST AND TAXATION	(1.8)	(8.3)
Interest payable less receivable	(18.0)	(8.3)
LOSS BEFORE TAXATION	(19.8)	(16.6)
Taxation	6.7	4.5
LOSS AFTER TAXATION	(13.1)	(12.1)
Minority interests	(0.5)	(0.6)
LOSS before extraordinary items	(13.6)	(12.7)
Extraordinary items	(29.3)	—
LOSS after extraordinary items	(42.9)	(12.7)
VEHICLE UNIT SALES	420,000	496,000

The trading loss of £1.8 million has absorbed a charge of £25.7 million for depreciation and amortisation, compared to the charge of £22.4 million for the first half of 1973/74.

Extraordinary items for the half-year to 31 March, 1975 represent the estimated net costs of closing down local manufacturing facilities in Spain.

During the first half of 1974/75 inflation continued unabated, accelerating the spiral of rising costs, and, in addition, the general world-wide fall in demand for motor vehicles adversely affected the volume of units sold. Competitive prices both in the U.K. and in export markets have prevented us from fully recovering the cost increases incurred.

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in Iran requires agencies, mainly in the technical field but others may be considered. Replies and details in first instance to

V. Baker,
140, Crayford Road, Alvaston,
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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

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● PRINTING

Revolution in technology

INK-JET non contact printing could threaten many sections of the printing industry: press manufacturers, platemakers and printers; whose traditional equipment could become obsolete.

Pira, in conjunction with Cambridge Consultants, is to conduct *a sponsored study to assess the* likely future development of ink-jet printing and examine its consequences for the printing industry.

Advanced forms of ink-jet printing use tiny electrostatically controlled ink droplets to build up an image on a surface several centimetres away from the nozzles from which the droplets emerge. Because the whole process is non-contacting and electronically controlled, a new image can quickly and easily be produced without any of the time-consuming intermediate platemaking and setting-up stages necessary in conventional printing.

Advantages of ink-jet printing—high output speed, no platemaking stages, elimination of numerous moving parts, variable fount size and selection, inherently low noise level—will be weighed against such disadvantages as limited resolution, high initial investment costs and the teething troubles inevitable in a developing technique which has, however been successfully applied in data processing.

Ink-jet printing is already replacing conventional methods in some areas. Applications include date-stamping food produce, facsimile transmission of Japanese typescript, and graphic maps and charts.

Cost of participation is £300 to Pira members and £500 to non-members plus VAT at the current rate (U.K. only). Inquiries about the study and requests for brochures should be addressed to Brian Blunden, Director, Information and Training Division, Pira, Randalls Road, Leatherhead, Surrey, KT22 7RU. Leatherhead 76161.

Bold step

PARRETT AND NEVES, weekly newspaper group of Sittingbourne, Kent, has installed the first DECset-8000 computer-assisted typesetting system in Europe. The system's manufacturer, Digital Equipment Company, has announced that a further two DEC-set-8000s are to be installed shortly.

Built around Digital's PDP-8/E general purpose computer, with between 24,000 and 32,000 words of core memory, the equipment allows both input and output to be run on-line, together with up to eight editing terminals. Typesetting software, provided by Digital, operates in a multi-use mode, enabling the system to undertake several tasks simultaneously, including input, output, editing, line printing, justification and hyphenation. The result is very fast system processing and throughput.

For this first European installation, input is via paper tape, output is on-line to a Compugraphic Videosetter supplied by M. H. Whittaker and Son, of Leeds, and editing is currently through two Digital Equipment VT20 on-line display terminals. Plans are in hand to increase the number of VT20s in the near future.

DEC is at Fountain House, The Butts Centre, Reading, Bucks (0734) 583555. Parret and Neves is on 0759 75411.

● COMPONENTS

Miniature relays

INTENDED FOR low level switching applications is the 270/280 series of miniature mercury-wetted reed relays introduced by Astralux Dynamics, Brightlingsea, Colchester, Essex CO7 0SW (020630 2571).

The wetting effect eliminates contact bounce and gives a stable contact resistance which is initially as low as 0.05 ohm. The avoidance of spurious operation means that the devices are suitable for use with low level logic equipment, while the relatively high power ratings enable the relays to be used for switching inductive loads. The life expectancy of the units is up to 50m. operations.

Available in form A and C configurations, the form A has a breakdown voltage of 1.2 kV dc and will switch 200 V1mA, 28 V1.0A. The single normally-open contact "A" version could be fitted into a standard dual-in-line package to special order says the company.

● AUTOMATION

Control of a thousand recipes

LARGEST single control system manufactured to date by the Ferranti Instrumentation Division at Moston, has been delivered to Associated Biscuits, in Bermondsey.

Valued at £65,000, the order was placed with Ferranti by the prime contractors for the ABL plant, Henry Simon. Its function in the plant will be the control and handling of both the solid and liquid ingredients needed for the biscuit recipes.

The weighing package is a microcomputer - based system which, when combined with an A/D converter and analogue input conditioning cards enables weighing to be performed using digital inputs for tare, "in-flight" compensation for each ingredient and final weight error band. Programmed weights are also set digitally on BCD coded switches. A digital read-out of the actual weight is provided together with any computed error.

The Ferranti SC900 programmable logic sequence control system provides the flexibility often required when designing and commissioning systems, *without* the complication of special language or programming hardware.

Ferranti, Moston, Manchester M10 0BE. 061-681 2071.

● DATA PROCESSING

Bank of England's ambitious system

ONE OF the largest on-line computer systems of its type so far attempted, the equipment in the accountant's department of the Bank of England has now been in operation for nearly two months and the work of the department has been changing over gradually to it.

Development has taken about five years, following a feasibility study in 1969, by the staff of the department with specialist advice and support from ICL and Logica.

Under the new system staff using some 125 visual display units are able to call accounts for immediate display on VDU screens and to effect amendments by means of attached keyboards.

The system is designed to deal with some 10,000 amendments a day arising from transfers and other amendments to accounts and is based on two ICL 1904 S computers with peripheral equipment. Hardware cost is put at £2m, but software may amount to about the same.

The department maintains registers for and pays dividends on some 190 stocks for Government and other bodies. The total number of accounts is 2½m. and the total nominal value around £30bn.

It deals with transfers (including certification), dividend requests, probates, death certificates and other legal documents and notifications of change of address or name. It issues certificates of title and dividend payments; and it handles stock conversions, redemptions and new issues. The number of transfers lodged for registration each day varies between 2,500 and 4,500 depending on activity in the gilt-edged market; certifications number 1,500 to 2,000; other amendments to accounts vary from 4 500 to 5,500 daily. Some 4½m. dividend payments are prepared a year of which 55 per cent. are mandated to banks and the remainder are sent by post to stockholders or their nominees.

Trade gap is worse than ever

FINAL FIGURES for Britain's computer activities during 1974 show that while exports have continued to climb and that quite creditably, imports have rocketed to such a degree that the imbalance is an unprecedented £135m. in the red.

With the decline in the pound against other major currencies some deterioration in performance was to be expected, but this is a totally depressing situation, particularly when the U.K.'s "white hope," ICL, has made such a good showing with its small business system, the 2903.

The question must again be asked whether operations at some of the computer plants set up in Britain to serve overseas markets as well as the U.K. domestic market consist of manufacturing in the true sense of the word or simply assembly jobs—the U.K. labour force being treated just like any other "off-shore work pool."

Total exports for 1974 were £210m. against £161m. in the preceding year. But imports were a staggering £346m. against £259m. Again the main culprit was the faceless parts of automatic data processing machines and units thereof other than of card equipment and power supplies", say some assemblies. Imports of these rose to £174m. from £150m.

At the same time, imports of "parts of computer configurations other than opus, card punches and readers and power supply units" also rose—to £102m. from £63m. in 1973.

Even direct imports of digital computers were up, perhaps not so spectacularly at £39m. from £25m., but still some 60 per cent. higher on the year.

● *By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.*

● COMMUNICATIONS

Teletext over 'phone

WITH A complete copper wire information distribution network at its disposal, namely the public switched telephone network, it could only have been a matter of time before the Post Office revealed a little more about its own plans for Teletext—the generic name now used for the transmission of alpha-numeric data on to TV screens in homes and businesses.

Apart from the possibly knotty problem of connecting a privately owned TV receiver to a telephone line, the Post Office system still under development at the Martlesham research station has a number of advantages and could pose a serious threat to the BBC's Ceefax and IBA's Oracle.

The Post Office system is called Viewdata and it differs from the television transmitted systems by being interactive. With a keypad the user first selects a broad subject area, and then by successive key depressions "homes in" on the particular kind of information he seeks. Although the format is a long way from being decided there evidently need be no limit on the scope of the information available apart from electronic storage costs.

Martlesham has already developed an interface unit for connection to a TV set, although how this aligns technically with the kinds of units now emerging from the semiconductor industry for on-air systems is not clear. The Post Office is also looking at dedicated crt units: there are not too many TV sets on business premises, and the "office" market is likely to be just as important as the domestic one.

Clearly, Viewdata has a transmission speed restriction due to the small band width of a tele phone line: the on-air TV systems transmit at about 7 Mb/sec. A whole page of information comes up in about ¼ sec., but the frames are sent in sequence, so that the user has to wait for his choice to arrive—for as long as 1½ minutes: and the more pages in the library, the longer the wait. Also, the TV systems have to "seize" the page and store it for read out.

Viewdata needs no memory in the user terminal, and there is a more direct selection of the page. It comes over at once, provided that the store can be accessed at once.

The effective relative speeds of the systems is a matter for conjecture—but the much wider choice of Viewdata might well give it a distinct competitive edge in the long term.

Finds fault in cable

LOCATION OF faults on telecommunication and power cables can be carried out with the Teleflex T01/3 equipment introduced by Wandel and Goltermann (U.K.), 40-48 High Street, Acton, London, W.3. It is stated to be capable of finding faults in cables up to 18½ miles away, and up to 29 miles in overhead lines.

A pulse is transmitted along the cable under test and on encountering a fault the pulse is reflected and displayed on the unit's screen—the distance to the fault is calculated from the return time.

Open circuit, short circuit, or an intermediate impedance fault can be identified from the shape of the image.

The image of the return pulse can be shifted to coincide with that of the initial pulse, with a digital indication of the amount of shift required. Both pulses can be magnified for accurate comparisons.

The unit can be matched to the characteristic impedance of the transmission line under test. Various ranges are available up to a maximum impedance of 180 ohms. The equipment is powered by rechargeable nickel/cadmium batteries.

● MATERIALS

Guide for paint on shipping

IN CONJUNCTION with the Research Organisation of Ships Compositions Manufacturers (ROSCM), the British Ship Research Association (BSRA) has launched plans for a unified approach within the marine industry to the problems of marine corrosion and fouling.

BSRA has assumed responsibility for the operation of the ROSCM research laboratory and rafts at Poole Harbour and from now on the laboratory will be known as The British Ship Research Association Marine Coatings (ROSCM) Laboratory.

BSRA will maintain the testing and research previously undertaken by ROSCM and is hoping to extend the range of activities by rationalising its own activities in the anti-corrosion and anti-fouling fields, previously conducted from the Wallsend Research Station, by transferring some of these immediately to Poole.

This will mean that BSRA will continue to provide the raft facilities for the testing of anti-fouling paints, as required by ROSCM members, but will also undertake raft tests for any other organisation on a contract basis.

Further details from 21 Grosvenor Place, London SW1 7JE (01-235 5131).

● ENERGY

Switch off, save power

CAMPAIGNS to conserve energy have highlighted the position whereby office and factory lighting, illuminated displays, advertising signs and similar installations are often switched on during daylight hours when there is no real reason for the illumination provided.

One method of preventing this is to have an army of people watching the lights ready to switch them off when not required—obviously impractical. The real solution is photoelectric switching and a new design of this type of switch has been brought out by Photain Controls, Unit 18 Hanger No. 3, The Aerodrome, Ford, Sussex. Littlehampton 21531.

Complete unit

This consists of a photoelectric cell complete with a bi-metal relay all mounted in a plastics waterproof housing.

The cell monitors daylight and when this falls to 70 LUX (± 15%) the relay operates to switch the lights on. When the light level increases to 140 LUX the relay opens and switches the lighting off.

To prevent "hunting" (that is, too frequent operation due to car headlights at night or dark clouds over the sun during the day) a one-minute time delay is incorporated in the circuit and this is effective both at switch on and switch off levels. Wiring is very simple—connecting the mains supply to the unit and a "switched line" supply from the unit to the lighting load. The photoelectric switch can also be wired in series with a time clock or other type of on/off switch so that the lights can be switched off at a predetermined time, thereby providing a fully automatic system for lighting control 24 hours a day.

● PROCESSES

Plating at lower cost

M & T NICKEL-IRON alloy process has been formulated to allow bright decorative coatings to be plated using a high percentage of low-cost iron anodes. The process is being introduced in the European electroplating market by M & T Unisystems companies at a time when all companies are looking for ways to cut costs. The deposits have the same appearance and levelling properties as all-nickel coatings but they contain from 20 to 35% of iron.

No loss of quality compared with the all-nickel process and superiority in certain respects is claimed. Chrome receptivity is improved and so is the throwing power in low-current density areas. In certain cases ductility and corrosion resistance are also up-graded.

M. & T. Cruickshanks, Lyndon House, 62, Hagley Road, Birmingham B16 8PX. 021 454 7401.

Lubricant for lift chains

SPECIFICALLY developed for the lifting chains on fork lift trucks is an aerosol dispensed lubricant from Acheson Colloids Company, Prince Rock, Plymouth PL4 0SP (0752 266351).

Lifting chains may carry loads of up to ten tons/square inch of bearing surface. Lubricants capable of protecting against wear have usually been too thick to penetrate to bearing surfaces while those thin enough to penetrate cannot support the heavy loads.

Known as Hi Load, the aerosol spray is light enough to penetrate to and coat the working surfaces. It then increases in viscosity 40 times, forming, says the company, a heavy duty lubricant able to carry the heaviest working loads.

مكتبة الأصل

ORSE TRIALS

A record entry for Tidworth

BY MICHAEL DONNE

VITH THE Badminton Three-ay championships and several ther events so far this season ashed out by bad weather, the rmy Horse Trials at Tidworth ark, Andover, this week-end ave attracted a record entry of 70 horses.

The Tidworth trials, sponsored y the Midland Bank, are always nportant in their own right, for ot only does the senior section ttract many of the country's top vent horses and riders, but also e three novice sections usually rovide a good opportunity for sting a large number of ounger and less experienced ombinations in the tougher conitions of three-day eventing.

This year, Tidworth is doubly important, because the event will be watched closely by the selectors who are still seeking names to add to the short list from which will be drawn Britain's international team to compete in the European Horse Trials Championships at Lumuhlen, West Germany, from September 3 to 7.

So far, the selectors have put together a bare handful of names, largely based on past performances. Including Hugh Thomas on Playamar (who was fourth in the individual world championships last autumn), Princess Anne with Goodwill, Carolan Geekie with Copper Tiger, Sue Hatherly with the British Equestrian Federation's Harley, Janet Hodgson with Larkspur, Bridget Parker with her Olympic horse Cornish Gold, and Lucinda Prior-Palmer with Be Fair.

Although Chris Collins was also included, with Smokey VI, his recent fall at Cheltenham in which he seriously injured his back seems likely to make him a doubtful starter. Some of the others on the short list will be competing at Tidworth, however, and it is likely that other names will be added to the list over the next few weeks, both as a result of performances at Tidworth and at the Irish three-day event at Punchestown.

Tidworth will also be significant for the chance it will give to senior riders to bring on some of their younger horses. Richard Meade, for example, the Olympic Gold Medallist, has a new horse, Tommy Buck, while Captain Mark Phillips will be riding a new mount, Favour. Bridget Parker will be taking Sailor round the Tidworth Course, while Lucinda Prior-Palmer will be riding both Hysterical and Wideawake. The former European Junior Champion, Virginia Holgate, will be in the field with Tio Pepe and Grosmont.

Some of the top British riders will also be going to the U.S. this summer for the U.S. Combined Training Association's three-day event at Ledyard Farm, Massachusetts on June 26-29. The British Horse Society has nominated six horses and riders. They are: Princess Anne on Goodwill; Captain Phillips on Laureate II; Sue Hatherly on Harley; Michael Tucker with Ben Wyvis; Janet Hodgson with Larkspur; and Lucinda Prior-Palmer on Wideawake.

APPOINTMENTS

Two main Board posts at Portals

Mr. I. G. R. Adams, managing lirector of Portals Water Treatnent and Mr. W. A. Wood, managng director of Portals (paper naking division), have been ppointed to the Board of PORTALS HOLDINGS.

★

Mr. W. C. Woodman, general nanager (staff), MIDLAND 3ANK, is returning to divisional luties as a general manager. Mr. 3. M. Cocup, deputy general nanager (staff), has been ppointed to succeed him.

★

Mr. G. N. F. Wyburd has een elected president of the NATIONAL BEDDING FEDERAION.

★

Mr. Alan Rose, assistant managng director of Bostik, has been ppointed managing director of BOSTIK (IRELAND).

★

Mr. J. W. McIntyre, group secreary of J. H. Vasseur Group, is to ucceed Mr. Neville Sabine as ecretary of the Central Board of inance of the CHURCH OF NGLAND.

★

Mr. W. N. Swainson has been ppointed a director of FLETCHER SUTCLIFFE WILD.

★

Mr. R. D. Chambers has sueeeded Mr. John Baker as chairnan of the CAVITY FOAM INULATION ASSOCIATION. Mr. Baker is now vice-chairman.

★

Mr. A. W. Perry, marketing lirector of the Bejam Group, has een elected chairman of the FOOD FREEZER AND REFRIGERATOR COUNCIL in sucession to Mr. W. G. Hilton.

★

Mr. S. W. Batty, director and eneral manager of the universal ndustrial appliances division of Morris Industries Rushden, has een appointed chairman of the xecutive committee of the CLEANING INDUSTRY for 1975-1976.

★

Mr. Kingsley Williams has become chairman of the WESSEX REGIONAL HEALTH AUTHORITY in place of Colonel Sir Joseph Weld, who has retired.

★

Mr. John J. Rea has been appointed general manager of the BRITISH RESERVE INSURANCE COMPANY, succeeding Mr. E. J. Davey who has resigned. Mr. W. A. Martin, previously secretary, becomes assistant general manager and secretary.

★

Mr. G. H. Cudworth has retired as a director of JACKSON AND STEEPLE and its subsidiaries.

★

Mr. H. D. S. Hardie has resigned from the Board of KLEEMAN INDUSTRIAL HOLDINGS.

★

Mr. J. R. French has been appointed managing director of FIRST FINSBURY TRUST in place of Mr. W. O. Baker, who has resigned from that position.

★

Mr. John Richardson and Mr. Peter Wight have been appointed directors of HUTCHISON INTERNATIONAL.

★

Sir Michael Clapham has been elected a director of GRINDLAYS BANK. Sir Michael is a deputy chairman of Lloyds Bank, chairman of Imperial Metal Industries and a past president of the Confederation of British Industry.

★

Mr. N. W. Jones, a general manager of LLOYDS BANK, has been appointed an assistant chief general manager. Mr. Jones, who is also a director of Lloyds Bank California, will continue his group co-ordination duties under the group chief executive.

★

Mr. K. M. Bevins has been appointed chairman of TRADE INDEMNITY COMPANY in place of Mr. F. E. P. Sandilands, who has retired as chairman and from the Board. Mr. E. F. Bigland has become deputy chairman and Mr. C. R. Harris has joined the Board. Mr. A. F. Burdett has been made an alternate for Mr. Harris.

★

Mr. J. D. Ashworth has been appointed to the parent Board of HUNT AND MOSCROP (MIDDLETON).

★

Mr. Peter E. Brown has been appointed director of international business development for the EMI GROUP. He joined EMI in 1970 as director of financial services for the overseas division.

★

Mr. G. T. Cooper and Mr. G. G. Gardner have been appointed to the Board of CANNING TOWN GLASS WORKS. Both are directors of Arthur Bell and Sons.

★

Mr. Peter Grimshawe has been appointed financial director of PENNINE MOTOR GROUP.

★

Mr. Tom Waring, director of ICI's plant protection division, has been elec'ed chairman of the BRITISH AGROCHEMICALS ASSOCIATION. He succeeds Mr. J. Walker. Mr. R. F. Norman is deputy chairman and Mr. T. D. MacLean has been elected as representative to GIFAP, the international federation of pesticide manufacturers.

★

Mr. H. Howland will be appointed secretary of BESTOBELL on July 7. He is at present legal advisor to the Prestige Group.

Bank's reminder on exchange control

BY MICHAEL BLANDEN

THE BANK of England has sent out a reminder of the responsibilities of authorised depositaries in handling deals in foreign currency and sterling securities and in investment currency.

A special memorandum, backed by an explanatory notice to members of the Stock Exchange, underlines the rules which should be observed.

It also recommends that depositaries should review their administrative procedures regularly to ensure that they comply with the various exchange control notices issued by the Bank.

Is emphasises, for example, the crucial importance for depositaries to be satisfied about their customers' residential status for U.K. exchange control purposes. This is necessary to ensure the correct procedure in which payment should be made to or received from customers.

NEW FELLOWS OF MANAGEMENT BODY

Four chief executives of local authorities—Dr. L. Boyle (Strathclyde Regional Council), Sir Alan Dawtry (City of Westminster), Mr. J. Haydon W. Glen (Humberside County Council) and Mr. J. D. Hender (West Midlands Metropolitan County Council)—have become Fellows of the British Institute of Management.

ACCOUNTANCY APPOINTMENTS

Group Financial Controller

An established London reinsurance group with a gross turnover of some £20m invites applications from qualified accountants in their middle to late thirties for the position of Financial Controller. Reporting will be to the Chief Executive. The successful applicant is unlikely to be currently earning less than £7,500 per annum. He will be fully familiar with computerised systems, will assume overall control of the entire financial and accounting function including investment planning and management reporting and will lead a small but highly competent executive team. He will need to possess a strong but diplomatic personality and to be capable of making significant contributions to the Group's efficiency and profitability. The salary will be attractive and there will be appropriate fringe benefits.

Letters of application, giving details of career to date, to be addressed to:

The Group Chief Executive
c/o Stronghold Insurance Co. Ltd., 37/39 Lime Street, London EC3M 7BJ
marked 'Private and Confidential'.

Financial Controller

London, W.1 to £7,000

A major public group seeks a financial controller for a communications and leisure subsidiary with a £10m. turnover. He will be responsible to the general manager for the complete finance function, with a small staff and EDP support. There is particular scope for improvement in financial planning, budgeting, control and reporting, current asset management and management education.

Candidates should ideally be qualified accountants in their thirties, with relevant commercial experience and the personal capacity to influence management by persuasion rather than confrontation. Some travel to the USA possible. Their prospects could exist almost anywhere in a diverse and very profitable parent group.

For a fuller job description, write to John Courtis at 78 Wigmore Street, London, W1H 9DQ, indicating briefly your relevance and quoting reference 724/FT.

John Courtis & Partners

SENIOR FINANCIAL OFFICERS FOR THE ARABIAN GULF

The Arab Maritime Petroleum Transport Company, located in Kuwait, wishes to appoint three senior financial officers.

FINANCE MANAGER

c. KD 8,400 (£12,000) p.a. tax free; + car

The man appointed will be the senior financial officer reporting to the Managing Director. He will take charge of the Accounts, Treasury, Budgetary and, in future, EDP Departments. Candidates should be members of an internationally recognised body of accountants with a minimum experience of five years, preferably in petroleum maritime transport or a related field.

CHIEF ACCOUNTANT

c. KD 6,000 (£8,500) p.a. tax free

Reporting to the Finance Manager, he will take charge of all accounting transactions including the preparation of periodical and yearly financial statements. Candidates should be members of an internationally recognised body of accountants with a minimum of five years experience.

CONTROLLER

c. KD 6,000 (£8,500) p.a. tax free

Reporting to the Finance Manager, he will take charge of the Budget and Statistics section. Candidates should be members of an internationally recognised body of accountants with a minimum of five years experience, preferably in the above field.

Contracts, which are renewable, will be for a period of two years and, while proficiency in English is essential, preference will be given to Arabic speaking applicants.

There is an excellent range of fringe benefits, including 45 days annual leave, paid flights to and from the U.K. every year, free medical care, housing allowances, and assistance with school fees.

Please write (in strict confidence) with full curriculum vitae to: Paul Russell of,

ARTHUR ANDERSEN & CO.,
St. Alphage House, Fore Street, London EC2Y 5DD
who are advising on these appointments.

Financial Controller

for the British company of an international group engaged in process equipment and environmental control engineering. Based in Yorkshire, he will be responsible for developing and controlling the financial and accounting function of the company, which has an eight-figure turnover.

Candidates, aged 35 to 45, must be qualified accountants with senior experience in manufacturing industry with a production-oriented company, including responsibility for the financial control of contracts and construction projects.

Salary £8,000 to £10,000 plus car. Good prospects of advancement.

Please send relevant details – in confidence – to P. Hook ref. B.26280.

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17 Stratton Street London W1X 6DB

FINANCIAL DIRECTOR DESIGNATE

Contracting and Manufacturing Group, head office in central London, requires a man of considerable ability and potential.

Group turnover is in excess of £7m. per annum, with 500 employees. Practical, effective commercial knowledge of the entire accounts function and the ability to lead a vital department in a fast-expanding Group are essential.

There is no age barrier to this position. Salary and benefits are expected to be substantial.

Applications, together with a full curriculum vitae and references, should be addressed in full confidence to Box A.5069, Financial Times, 10, Cannon Street, EC4P 4BY.

Responsible, self-motivating

ACCOUNTANT/RECORD KEEPER

(potential future directorship)

Small import/export chemical Co., blue chip clients, needs qualified accountant able to handle wide variety book-keeping, records, costing, credit control, shipping, currency, insurance etc. work with view future expansion. Good salary. Wimbledon.

Write Full details Box A.5067, Financial Times, 10, Cannon Street, EC4P 4BY.

Qualified Accountants up to £6099

The Post Office Contracts Division has a number of vacancies in its Accountancy Branch. This branch concerns itself mainly with cost investigations of manufacturers' records required by the Post Office Board in connection with non-competitive and research and development contracts. It also provides a general professional accountancy advisory service to the various Post Office businesses.

You will need to be a member of one of the chartered bodies of Accountants with not less than two years' post-qualification experience of investigation or consultancy, and you should be at least 27 years of age. Although based in London you must be prepared to work elsewhere on occasions, involving you in short absences from home.

Starting salary (including a London allowance) will be within the range of £5129 to £6099 a year, according to age and experience, plus threshold payments. There is a contributory pension scheme, and fringe benefits which include generous holidays. There are good prospects of promotion to posts carrying salaries up to £6899 and opportunities to progress to posts carrying salaries up to £8814.

For an application form, please telephone (by reversing the call charge if you wish) Miss R P Smith on 01-583 9811 ext. 268 – or write to her at:

Post Office Contracts Division E12,
Telephone House, Temple Avenue,
London, EC4Y 0HL.
quoting reference B.891.

The Post Office

Spear & Jackson (Tools) Ltd.

Financial Director

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This is a key appointment in the important Sheffield-based tools subsidiary of Spear & Jackson International Ltd. The company has seven factories and employs 2,000 people in the manufacture of hand, engineers and garden tools of high international repute. The Financial Director will be responsible to the Managing Director for all aspects of the Company's accounting and financial management, including the co-ordination of new company acquisitions. Aged around 35, he will be a Chartered Accountant with successful senior management experience of financial planning, control and management accounting, including acquisitions, in a substantial manufacturing company operating internationally. He will have a broad, creative approach enabling him to contribute substantially to the Company's further development as a member of the general management team. A high starting salary appropriate to this senior appointment will be negotiated; a car is provided with other excellent fringe benefits and career prospects are attractive.

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BOOKS

Fiction

Case for the cliffhanger

BY C. P. SNOW

The Voice of Armageddon by David Lippincott. Hodder and Stoughton. £2.75, 249 pages

The Shootist by Glendon Swarthout. Secker and Warburg. £2.50, 186 pages

When one reads a novel, one wants to be propelled from page x to page x plus 1. All novels which are really novels, including the greatest, have this kind of readability. It is a necessary quality. To have any chance of survival, a novel, of course, needs *other qualities too.* Propulsive power is necessary, but not sufficient.

The most vigorous propulsive power is provided by naked suspense. But here is a trap with which a good many novelists have had to struggle. If you sacrifice everything to suspense, people will rush through the book: but it will have lost its content, and no one will read it twice. Alternatively, if you have no suspense at all, and rely on the beauty of your mind and moral nature, no one will read the book once.

In actual practice, a novelist has to trust his instinct and write the kind of book which would interest himself as reader. If he is unlucky enough to have more aesthetic predilections than tough intellectual sense, he will eliminate suspense altogether: in which case, he will find it remarkably difficult to earn a living.

These reflections have been provoked by two examples, both by American writers, of suspense at its most undiluted, used with extreme skill. Any young novelist could learn something from them: and the said young novelist would have had *to be educated with crippling* preciosity if he didn't enjoy reading them. They are as hypnotically exciting as any works on view for a long time past. None of us will read them twice, but that would be a fatuous reason for not relishing the first breathless trip.

The Voice of Armageddon, by David Lippincott, arrives with lashing of praise from America and France, and it is all deserved. Figaro has called the book *a suspense classic. It is* wonderfully ingenious. The central figure is clever, paranoid, certain that he has never had a chance, working out his grudge against the world—the kind of character writers have often used in similar works (compare Wells's *The Invisible Man*), and here done with considerable insight and power. This character writes a journal which *wouldn't disgrace a psychiatric* textbook. He has decided to perform an act of public terrorism which will stagger America.

The secrets of the story are important to the book, and so it would be wrong to disclose what he is planning and what happens. It is enough to say that it is freezingly convincing, and one would have to be a very superior person indeed, and a good deal of a fool, to resist wanting to know what the end will be.

Lars Cornelius (the central figure) gives gnomic warnings to the American authorities that they are under threat. They have no more idea than the reader what the threat actually is, but they are persuaded—sensibly, as it turns out—to take it seriously. Half of the novel is devoted to the activities of the security group, psychiatrists, police officials, intelligence bosses, *Washington* aides, trying to interpret the messages, struggling in a fog. This is very neatly executed, and has a grim humour of its own.

Meanwhile, the other half of the book deals with Lars Cornelius and his mentally deficient helper, living in seedy hotels in Georgia, less seedy hotels in New York, sharply and *concretely observed. There is* one scene of physical horror, which will sicken people who get qualms from the printed word—it suggests Dante surveying Paolo and Francesca, fused together by a process of electrocution. Not pretty, even if one doesn't suffer overmuch from qualms.

The Shootist hasn't anything like such an interesting and subtle plot, but is just as good of its kind. "Shootist" appears to be the correct term for what we were *once* taught to call "gunfighter," that is persons in the American West blazing away with pistols and other small arms, as glorified in films and mythology. J. B. Books is the last famous shootist, and the date of the book is set in 1901. Books arrives in El Paso, Western Texas, with a hero's reputation, but he has arrived there to die. He has a cancer of the prostate, far advanced, and not many weeks to live. He is a stark and stoical *man, and has come to terms with* death. But he is not prepared to wait for such a humiliating death as this. He plans to arrange for *himself a kind of Viking end.*

The way he does so is part of the book's *suspense.* The final scene, not surprisingly, contains an impressive number of pistol shots. But Mr. Swarthout has refreshing elements of realism, *and makes it clear that pistol-*shooting is one of the least lethal of all exercises in weaponry, and that the shootists were not very good at it, though J. B. Books was better than most (in the hullaballoo at the O. K. Corral, sanctified in the western myth, several hundred rounds were fired, and three men killed.)

Without those touches of astringency, *The Shootist* would be too soft at the core. In fact, *it is too soft in places,* rather like sub - Hemingway, sentimental exactly as Hemingway was sentimental, with departures into he-manly rhetoric, which resembles some of the worst passages in *Death In The Afternoon.* But there is some excellent terse writing also, particularly in understated conversations, and above all there is a model of a story line. One would have to be pathologically strait-laced not to find something to admire in J. B. Books.

"Suspense at its most undiluted:" Glendon Swarthout and David Lippincott

Times of terror

BY ISABEL QUIGLY

The Pheasant Shoot by Christopher Leach. Chatto and Windus. £3. 219 pages

My Petition for More Space by John Hersey. Hamish Hamilton, £3.50. 182 pages

Dark River, Dark Mountain by Sylvia Sherry. Cape, £1.95. 189 pages

The romantic dream that turns into nightmare when tried out in daylight: a familiar fictional theme given new life in Christopher Leach's *The Pheasant Shoot*. From childhood in working-class London the narrator, *Dick, has been* obsessed by a vision of stone lions, a locked gate, a country house and above all the life behind it; and since the novel he has written about this obsession is to be filmed, a suitable setting must be found for it. Stavely, home of the one family for four centuries and now *owned* by General Sir Charles Stavely, seems just the place, and Dick, with the director of the coming film, gets invited there; officially as guest of the General's cousin, a venal fellow who now runs and will later inherit the estate, unofficially to see whether it suits his imaginative purpose.

In the short space of his visit the life of Stavely collapses: the servants stage a strike and lock out the General and his guests, the General goes mad, the cousin takes over, the gates are left open and coaches let in. Parallel to all this, Dick's novel is ruined by a script that ignores its romanticism and regrets.

At once elegaic and realistic, *The Pheasant Shoot* is balanced, like Dick's feelings, between attraction and hatred, love and disgust. Very spare, scarcely *descriptive at all,* it consists mostly of dialogue and that of a barking, surface sort that represents rather than describes the inner turmoil of a man maddened by the end of his world, and of those around him, unable to cope *with the new life their courage* (or insolence) opens up for them. Judd, the film director who fails totally to value Dick's feelings in his novel, sees only the crassness and injustice of a situation in which a single "strange, childless man" can have 800 acres and the lives of villagers, tenants and *farmers* as his own. Dick himself stands somewhere between the two and the shoot brings a showdown.

The novel underlines the *General's collapse, the beauty* and cruelty of country life, and the clash of incompatibles, rural and urban, aristocratic and popular, old and new. In the lean writing there are layers upon layers of feeling and comment, a concentrated appraisal of history and necessity, time and change, as part of life and as the artist's tools of expression; nostalgia, resentment, the balance of opposites, the sense of then and now: an extraordinary feat of compression, each word doing the duty of several, each phrase suggesting much more.

John Hersey put his view of modern terror into an unforgettable piece of reporting *that became the book Hiroshima. My Petition for More Space* is a fantasy set in the future which shows his limitations as an imaginative writer. There is one idea in it—the world has become so crowded that each person is *allowed only a few square feet of* living space — but this isn't developed or made terrible and true. Every day people have to wait, crushed together in a queue, in order to ask permission for this or that. The hero asks for more *living* space and, as he expects, is refused it. Once you have *got* the idea (squash, crush, lack of privacy), there's nothing more to it. The futuristic nightmare needs Orwellian intensity to persuade, and thus to terrify. *Instead. Sylvia Sherry's Dark River, Dark Mountain* goes back a bit in time to the days when the nightmare seemed more immediate and so, perhaps, more faceable. In the wartime Pennines, waiting for Hitler to land, fifteen-year-old boy meets mysterious French girl and all ends in disillusion and violence. A sharp, readable, atmospheric thriller, *modest in tone, precise* in effect.

Christopher Leach

Crimes

BY ANTHONY CURTIS

Circus by Alistair Maclean. Collins, £2.95. 224 pages

"Normally," says Alistair Maclean, "I don't care for circuses." What drew him into the sawdust ring this time was a suggestion from the Head of Production for 20th Century Fox that he should write a spy story based upon an *American circus travelling in* Europe. Here it is, as efficiently put together as you would expect from this writer, even though he does not exactly revel in life under the *big top. He is much* more at home when it comes to describing some shipboard shenanigans, en route to the prison security building in East Germany where a crucial formula for "anti-matter" is housed. To *scale this fortress* would take a wire-walker of genius who would then need a photographic memory to retain the information. It so happens that these are precisely *the attributes possessed* by our hero Bruno, the ace trapeze artist and mentalist who for good measure has a maudlin affair on the side with a girl from the CIA. *If you can swallow* his capers on the high-voltage cable *there is a pretty package of* thrills for you at the end after, frankly, some rather dull wrapping.

Woman in the Mirror by Winston Graham. Bodley Head. £2.50. 238 pages.

On the rebound from a collapsed love-affair, Norah takes a job in rural Wales as secretary to a lady journalist and celebrity. She is given rooms in the attic *where her employer's neurotic* nephew, an artist, spent his childhood. Norah learns that she bears an uncanny physical resemblance to his sister. The girl and her *lover died* at the end of the last war, and in trying to discover what really happened to her Norah finds herself involved in a sinister repeat performance of the seamy past of her employer's family. When the house finally burns down ancient guilt is scorched into the light of day, but not until the reader has had a good time trying to work it all out in advance of the heroine.

Jewish poet of the first World War

BY JOHN LEHMANN

Journey to the Trenches: The life of Isaac Rosenberg, 1890-1918 *by Joseph Cohen.* Robson. £4.95, 187 pages

"Genius is the word for Rosenberg" wrote Dr. F. R. Leavis in *1932,* thus starting a cult which is by now well established. Nevertheless, the actual place in the English poetry of our century of this astonishing young poet-painter, killed at the end of the first war at the age of 28, is still disputed. It is undeniable that he was neglected for a long time, in spite of the admiration of several fellow-poets, such as *Lascelles Abercrombie, Laurence* Binyon and Gordon Bottomley during his life.

It is equally undeniable that his more ardent latterday fans do him no service when they claim that he is greater than Wilfred Owen, or, as an eminent professor is on record as stating, that he is one of the few poets worthy "to be compared with Shakespeare." He was hardly more than emerging from his apprenticeship when the war broke out, and his total mature poetic oeuvre is little more than a couple of uneven verse plays and a score of lyrics.

What *is so* impressive is that at least half a dozen of those lyrics are of the first quality, hauntingly memorable and unique in the poetry of the first war for their concentrated expressive force, their laconic irony and vigour of imagination.

Dr. Joseph Cohen of Tulane University, New Orleans, has long been a keen student of British poetry of the first war, and *in particular of Isaac* Rosenberg. A number of shorter critical studies of Rosenberg have already been published, but this is the first full-length book. Dr. Cohen goes perhaps rather too painstakingly through the life and tribulations of the poet's father, but at least establishes by so doing the misery and squalor of immigrant Jewish life into which Isaac was born. He was *seven when his father and* mother, who were always at loggerheads, decided to leave Bristol for the East End of London: but instead of "streets paved with gold," as Jewish families who had gone before assured them, they found only an almost bestial one-room existence on the edge of absolute poverty.

This was the background against which Isaac Rosenberg grew up, and accounts in large measure for the obstinate independence which became characteristic of him, his self-pity, his tendency to take experience as hard as he could, and *his* so frequent disgust with his fellow-men. He was certainly not an easy man to deal with, and his abrasiveness worked against him as much as his formidable capacity for losing or spoiling *things, especially his own* sketches and canvasses. In spite of these drawbacks, he found a patron to pay for his schooling at the Slade, and at the begin*ning of his career his ambition* seems to have been more directed towards painting than writing. I have not actually seen any of his works, but from the illustrations the best of them strike me as deeply felt and unusually gifted (especially the portraits).

It is almost too painful to read of his struggle to exist on the cheap sale of an occasional painting, his inability to escape from the narrow circle of his Jewish friends, and his frustration when Sonia, the girl he was clearly in love with, married one of those friends, John Rodker. Nevertheless he had patrons, Mrs. Herbert Cohen, Eddie Marsh (rather *ambivalent, but loyal),* and Sydney Schiff (Stephen Hudson); but they seem to have been more interested in his painting than his poetry. I cannot find that he ever earned a penny from a published poem.

He decided to join the Army to escape from his crushing poverty. His early days in the "Bantam" regiment are grotesquely in contrast to the training experience of Owen, or Graves, let alone Sassoon: he suffered abominably, but the humiliations did not last for ever, as it was at last recognised that he was more than a "scavenger or ticket-of-leave *man." And what he saw and* experienced decided him to become a poet rather than an artist. He did not have much time to fulfil this ambition: it is all the more remarkable that he should have been able to bequeath to posterity those incomparable war lyrics, "Soldier, Twentieth Century," "Break of Day in the Trenches" and "Dead Man's Dump." At the same time, while one praises his war poetry, it is salutary to remember the late William Plomer's observation that Rosenberg was "a highly imaginative artist more concerned with love than war."

The great money illusion

BY W. L. LUETKENS

The Great Inflation by William Guttmann and Patricia Meehan. Saxon House. £4.85, 252 pages.

The price of an egg in the Weimar Republic went from Marks 0.8 in 1913 to Marks 80,000bn. in November, 1923. *Nowhere is the effect of* inflation more poignantly illustrated in this book than in the account of patients brought to a psychiatric clinic in Munich who had lost *all feeling for numbers* and might describe themselves as 25m. years old, or as the parents of 15,000 children. Were they clinically mad? Or were they merely part of a system that had gone mad? It assuredly had, so that it may not even be possible to arrive at a rational analysis of what had happened.

Given that confusion, the authors' account of the winners and losers of the German inflation is likely to be less helpful than *those in search of tips* might hope. During the inflation it made no sense to hold on to money, but neither were the alternatives much use, if you could not hold on to your bricks and mortar, to your works of art, or your hoarded food, until money was restored to sanity. Granted all that, the chief winners were those with access to foreign exchange, be it as exporters, be it as recipients of remittances, or merely as speculators since exchange control, when it existed at all, was *usually ineffectual.*

Property was a bonanza, except in the case of blocks of flats: their owners were squeezed between rent control and rising costs, a pattern familiar in our time. Great gains also went to the bold and the unscrupulous who bought good companies with bad money and built themselves spectacular concerns. It is, however, of note that few if any of these *creations* have *survived* down to our day, whereas many of the more solidly based pre-1914 manufacturing concerns are still thriving.

The losers, to a great extent, were the professional middle *classes, civil servants,* and academics, who were accustomed to supplementing their incomes with interest derived from savings lent out at fixed interest. These people were alienated from the Weimar Republic, which therefore entered the fight against Hitler with one hand tied *behind its back. It is worthy of* note that these same classes have survived and are prospering and in harmony with the present West German state. In other *words, in the very long run* the redistributive effect of inflation may have been less than appeared initially.

One illusion is destroyed by *The Great Inflation: much money* could be made on the stock exchange, but equities were no lasting hedge against inflation. An investor who held his shares from *1913* until *after the end of* the nightmare would have lost heavily. Other glib assumptions also go by the board, for instance that a falling exchange rate needs must help exports. For a long time it did, but when, in the summer of 1923, the exchange rate had dropped out of sight, internal prices had gone even farther the opposite way: exports collapsed, and the *unemployment* rate went to 23 per cent—a pattern which, again, may not seem entirely unfamiliar in our time. Perhaps it is no coincidence that stabilisation *followed within months,* since all of a sudden nobody had a vested interest in *the chaos.*

The authors' account of that stabilisation is not without gaps, but does present the essential: that money was restored because people wanted to *believe in it.* A currency, the *Rentenmark*, was issued, backed supposedly by the industrial and landed wealth of the nation—i.e. the concrete rather than paper wealth that people had been chasing up to that point. In fact, the concept of the *Rentenmark* had a great similarity to the *assignats* backed by landed wealth which were issued in 1790 by the French revolutionists in a veritable classic of inflationary machination.

Both were fiduciary issues in the true sense of the word, rely*ing on little else than the faith* which the public reposed in them. But unlike the *assignats*, the new German money was kept scarce, so that that trust was not *exposed to undue strain.* The moral is that it is easy to ridicule those who cling to the money illusion, who believe that some special virtue of intrinsic value attaches to a currency, but that a modern society cannot possibly survive without precisely that illusion. Thomas Gresham (1519-1579) already knew that.

In the end the authors, who collaborated on a recent TV programme on this subject, fall between two stools: the anecdotal account is incomplete, and so is the historian's. One would like to know far more than they tell us about the workings or rather *the failure to function of the* rudimentary indexing of wages, and of the failure of exchange controls when they were applied. Nor do they do full justice to the argument as to whether the real causes of inflation were external, *meaning the need to pay reparations,* or rather internal, meaning the waste of war itself and a monetary policy that was intended to supply industry with the cash it needed, whatever the cost.

Eccentric animal-lover

BY CHRISTOPHER TUGENDHAT

Humanity Dick by Shevawn Lynam. Hamish Hamilton. £5.95, 300 pages.

Since Queen Victoria's time the British have prided themselves on their kindness to animals. The bull and bear baiting, cockfighting and other sanguinary horrors for which this country was once famous have long since been forgotten. Our laws against cruelty to animals are now among the strictest in the world, and the RSPCA is almost a national institution. For this transformation we have to thank an extraordinary Irishman, Richard Martin, nicknamed by the Prince Regent Humanity Dick. In 1822 he persuaded Parliament to pass the world's first ever act for the protection *of animals,* and in 1824 he helped to found the Society for the Pre*vention of Cruelty to Animals* at a meeting in a London coffee *house,* ironically called Old Slaughter's.

Shevawn Lynam is a descendent of Martin's, and her book is an act of piety rather than an objective study. But it casts light on the emergence of a notable aspect of the British way of life, deals interestingly with the Anglo-Irish relations of the period, and tells the story of a most eccentric man. Unlike other 19th century reformers, such as Wilberforce and Shaftesbury, Martin has been forgotten. He deserves better than that, and his story is well worth reading.

Martin owned vast estates in Galway, a county famous for its duellists, or "blazers," and for much of his life was best known as a *blazer himself.* He was also very fond of amateur dramatics, an interest which he shared with his first wife, and which brought them into contact with Wolfe Tone, with whom she had an affair. Like Tone, he fought hard for the rights of Ireland and of Catholics, but unlike that famous revolutionary, always kept within constitutional channels. He was a member of the Dublin Parliament before the act of Union, after which he went to Westminster, and prominent in the Volunteers, a paramilitary orgainsation set up by the British Government, but which became an important vehicle for the expression of Irish ideas and the pursuit of Irish interests.

Although a many-sided man, Martin was from the beginning particularly interested in animals. While still a young man he fought a duel against the formidable "Fighting" FitzGerald to avenge the death of a wolfhound shot by that gentleman in the course of a quarrel with its owner. When he inherited the family estate in 1794 he was able, according to the laws of the time, to administer justice to his tenants. Any act of cruelty to animals was brought before him, and if the wrongdoer was too poor to pay a fine, he was imprisoned for a *few* days on an island in Lake Ballinahinch. In his old age the sufferings of animals became an obsession. After the passage of his act he roamed the streets and slaughterhouses of London arguing with all those who were mistreating their animals, and bringing personal prosecutions against those who would not desist.

Despite his inheritance, and the award of £10,000 against the man for whom his first wife left him, Martin had to leave Britain to escape his creditors. He was always extravagant, and excelled himself with the damages he received for his wife by having his horses shod in silver as he believed the money had to be spent quickly to vindicate his honour. He died in Boulogne, where he spent his last days strolling along the beach at low tide picking up the immature fish the fishermen had thrown out of their nets and putting them back in the water.

U.K. ECONOMIC INDICATORS

		1975			1974	
General	Unit	Apr.	Mar.	Feb.	Apr.	Mar.
Unfilled vac'n's¶	'000s	173.4	178.0	180.6	399.0	352.3
Unemploymt.¶ a	'000s	899.6	768.4	757.1	646.8	590.1
		Mar.	Feb.	Jan.	Mar.	Feb.
Currency resrvs.	$bn.	7.132	7.117	7.064	6.956	6.444
Bank advances b	£bn.	14.770	14.877	15.024	13.986	13.918
Manfd. prods. d	1970=100	182.0	179.0	175.9	146.3	142.4
Trms. of trade e	1970=100	78.4	78.3	77.2	72.9	74.1
Wage rates	July'72=100	166.8	160.6	158.7	125.7	124.0
Retail prices ...	Jan.'74=100	124.3	121.9	119.9	102.6	101.7
Basic mater'ls d	1970=100	223.0	221.8	218.8	213.1	215.1
HP debt¶ e ...	£bn.	2.265	2.284	2.303	2.378	2.398
Indust. output**	1970=100	104.6	105.5	105.2	105.7	103.1
		1975		1974		
		Feb.	Jan.	Dec.	Feb.	Jan.
Retl. sales val.**	1971=100	166.7	165.8	158.8	136.8	134.6
		1975			1974	
Trade and Industry		Apr.	Mar.	Apr.	Apr.	Jan.-Apr.
Comm. vehicles*	'000s	32.3	31.8	29.3	31.8	30.3
Cars*	'000s	108	105	115.1	115.3	125.8
Imports f.o.b.**	£bn.	165.5	165.8	172.4	166.2	158.3
Exports f.o.b.**	£bn.	136.6	154.0	148.1	125.5	115.6
Visible trade balance	£bn.	−289	−118	−243	−407	−426
		1975			1974	
		Mar.	Feb.	Jan.-Mar.	Mar.	Jan.-Mar.
Steel (weekly average)*	'000 tonnes	494.4	504.7	484.7	419.9	412.7
Bricks*	*millions*	381.0	396.0	395.6	508.0	433.6
Cement (weekly average)*	'000 tonnes	338	312	310	383	310
Houses cmpltd.¶	'000s	23.0	22.1	22.4	26.6	22.7
Man-made fibres*	m. kgs.	44.33	42.65	42.24	62.10	58.01
		Feb.	Jan.	Jan.-Feb.	Feb.	Jan.-Feb.
Hosiery*	1970=100	89.9	80.3	85.0	98	94.5
TV sets‡‡	'000s	230	254	242	264	289
Radios, radiograms‡‡‖	'000s	301	402	251	574	511
Petroleum†	m. tonnes	7.23	8.33	7.78	8.05	8.45
Furniture†** ...	1970=100	156	151	153	130	129
Raw cotton§ (wkly. average)	'000 metric tonnes	2.13	1.83	1.98	2.07	1.87
		1975		1974		1973
		Jan.	Dec.	Jan.	Jan.-Dec.	Jan.-Dec.
Engin. (orders on hand)** ...	1970=100	128.0	130.0	131.0	135.3	116.7
Elec. cookers† f	'000s	80.2	75.0	63.4	72.0	86.0
Washg. mchns.†	'000s	83.9	55.7	71.6	65.9	98.3
		1974			1973	
		Dec.	Nov.	Jan.-Dec.	Dec.	Jan.-Dec.
Machine tools†	£m.	19.7	26.1	20.5	16.1	17.7
Raw wools§	m. kilos	7.7	8.4	9.4	8.7	10.4
		1975		1974		1973
		1st qtr.	4th qtr.	1st qtr.	Year	Year
Consumer spending	£bn. 1970 values	9.125	9.010	8.346	35.607	35.759
			1974		1973	
		4th qtr.	3rd qtr.	Year	4th qtr.	Year
Motor trade turnover	1967=100	209	216	207	175	192
Bldg. and civil engineering* ...	£bn.	2.623	2.667	10.220	2.372	8.984

* Production. † Deliveries. ‡ Net sales. § Consumption. ¶ Great Britain, not seasonally adjusted. ** Seasonally adjusted. †† All manufacturing industries. ‖ Excluding car radios. ‡‡ Deliveries, U.K. made and imported sets. a Figures revised November, 1972, earlier figures adjusted. b Constituent changed January, 1973, to refer only to U.K. residents' sterling. c Revised May, 1973. d Prices. e From January, 1974, figures were calculated on 1961 base series linked to December, 1973. From October, 1974, onwards all 1974 figures and 1973 figures back to July have been revised and fully rebased to continue on a full 1970 base. f Including cooker griller toasters.

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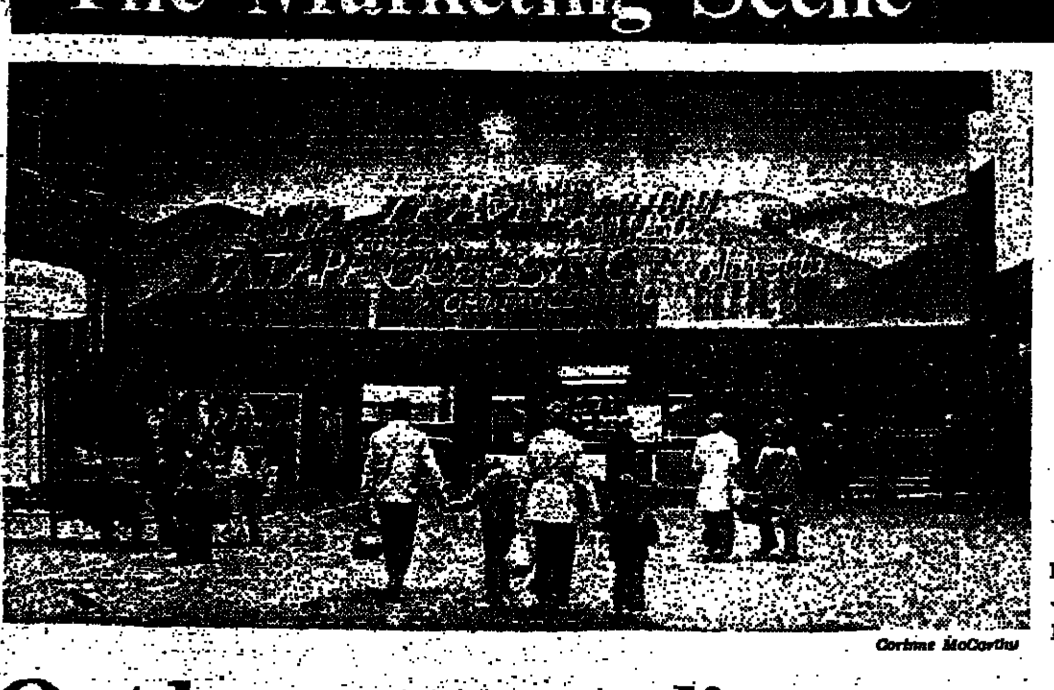
The Marketing Scene



Corinne McCarthy

Outdoor comes alive

BY ANTONY THORNCROFT, MARKETING EDITOR

THE meeting of the U.K. poster industry in Madrid last autumn seems to have precipitated a far reaching shake-up, similar to the reforms in the wider advertising world which followed on from the Advertising Association Conference in Eastbourne just a year ago. But whereas at Eastbourne all the elements in advertising suddenly realised that they had an over-riding responsibility to the consumer, at Madrid it was the advertisers who considered that they had been discriminated against.

They appreciated the fact that the outdoor publicity world had transformed itself in the past few years through the formation of a major selling organisation, British Posters, representing 70 per cent. of the roadside sites owned by contractors, and, alongside it, the Poster Bureau, a get-together of most of the leading advertising agencies, and working for the buyers, but the actual, paying, advertisers felt that they were not receiving the back up services they accept as a matter of course from the other major media, such as television and the Press.

Since Madrid there has been a flurry of research activity into outdoor advertising designed to offer some kind of estimate of the size of the audience for posters. There has also been a tightening up of inspection services into the condition of individual poster sites, and some attempt to get to grips with the problem of illegal sites, which have proliferated in recent years. This action is designed to reassure the big new advertisers that have started to use outdoor in the past three years.

The main site inspection service study, by NOP, financed by most interested parties in the industry, has just reported, indicating that 90 per cent. of the sites inspected (12½ per cent. of the total in each region) were adequately performing the selling task advertisers were paying for. It now has to be decided whether NOP will be retained to undertake periodic surveys into the 230,000 poster sites in the country. In any case British Posters has taken the criticism to heart, and is undertaking its own continuous inspection of the 160,000 sites it sells. It has also attempted to measure the actual audience for posters, and its first study in a major conurbation, the West Midlands, suggests that three-quarters of the population are exposed to road side posters.

Outdoor advertising is not susceptible to the clean cut research data that attempts to measure the impact of advertising on television, but at least the poster interests are trying to behave like a responsible advertising medium, as indeed they should, with an annual income of over £25m. a year, and a clutch of vociferous critics. Perhaps the rush to rationalise and modernise posters, through the formation of financially viable groupings, was achieved at the expense of competition. On the selling side British Posters has had to compete with Independent Poster Sales, and local independents, but on the buying side the co-operation of most major advertising agencies in financing the Poster Bureau has reduced competitive opportunities.

The Poster Bureau still places around £16m. a year but there has been some slippage in recent months. Danish Bacon, a big outdoor advertiser, has decided to use Poster Publicity as its booking agency, and other advertisers are negotiating with Poster Media, set up last November by Joe Singer, a former director of Mills and Allen. Singer claims a turnover of £1m. and has just signed up some fairly sizeable agencies like Vernons and David Williams and Ketchum.

So there is a great deal of movement in outdoor this year. Fortunately, the changes are taking place against a fairly prosperous trading situation—posters are not suffering as much as the other media, and growth in 1975 is just about running in line with inflation. There may be a slight problem for British Posters from July 1 when it ups the price of its newly selected package campaigns by almost £2,000, to £35,980 a month for 4,600 sites, but at the moment there are plenty of new advertisers: Pirelli is a recent recruit.

Other forms of outdoor are also doing well. Adshel, which places posters in bus shelters, expects to exceed £1m. in turnover this year, with more and more local authorities prepared to allow the advertisements in return for a £500 bus shelter. And Urbis, the company that provides street furniture, some of it carrying advertising, now has operations in over a dozen towns. But this week pride of place in outdoor activity must go to British Transport Advertising which unveiled a vast canvas by Jean Michel Folon at Waterloo Station. It is claimed to be the largest modern canvas in Europe, 69 feet long by 18 feet high, and for at least the next year will discreetly sell Olivetti to the 60m. commuters who use Waterloo—at a cost to Olivetti of around £10,000.

NEW PRODUCTS

Get organised

BY PETER KRAUSHAR, KRAUSHAR ANDREWS & EASSIE

THE organisation of a company is a crucial factor in determining its attitude to new products, especially as companies tend to be organised for existing products and so, by definition, find it difficult to cope with new ones.

A number of questions on organisation were included in the recent postal questionnaire on new product activity completed by 92 out of 120 companies.

Companies with Specialist New Product Development Department

	June, 1974	April, 1975
Yes	40	50
No	14	42
	54	92

Only just over half the companies researched have an NPD department. A number of companies seem to have abandoned the use of such a department and have transferred new product activity to current brand management. This is confirmed by comparisons with a similar survey in June, 1974, among a smaller but very similar sample of companies, mostly packaged goods, when 40 out of 54 claimed to have such a department.

There are obvious arguments for both systems; the suggestion of some change is probably related to the statement by ten companies that they are switching the emphasis of their development to products nearer their current markets and products; in such cases it makes sense to have brand managers in charge of both current and new projects in the same area.

Such changes often go in cycles, however, and, it is likely that some of the companies will revert to an NPD department when they find that new product activity has been sacrificed because of the ever-pressing operational problems of current products.

One of the main problems of a new product development department is the timing of handover to the brand marketing side, so it was particularly interesting to see when such handing over normally takes place.

When Companies in the N.P.D. Department Hand Over

Before test market	17
After test market	17
After year 1 of national marketing	7
After profitability has been achieved	4
Never	2
Flexible	3

The answers in the table are disappointing and confirm my belief that most companies have not seen the light. Many demand handover before test market, so the N.P.D. executive is in practice only a "paper planner" without responsibility for implementation. So often the marketing people taking over immediately change the project and blame the planner if anything goes wrong. The planner also gains little experience of translating reports into market place activity. Those who hand over after test market are in a slightly stronger position, but such practice implies the dangerous assumption that a test market has ironed out all problems.

Only six out of 49 companies claim that N.P.D. hands over either never or only after achieving profitability. I believe strongly that only in such circumstances can real continuity be established between initial planning and subsequent implementation. Moreover, the planner is thus forced to be responsible for his planning — a salutary experience which encourages realistic forecasting. Such an arrangement also ensures that N.P.D. can attract high calibre executives, surely important for one of the most difficult tasks within a company.

Finally, the questionnaire asked companies about who decides any conflict on R. and D. priorities between current and new products. It is interesting that 25 companies claimed such decisions are made by the managing director, while in another 12 cases he was involved together with the marketing director or with R. and D. and NPD. The marketing director decided in 29 companies and was involved in such decisions in another six. Seven companies solved this problem through an NPD Committee, but hardly any left the decision to R. and D. or to NPD on its own. Such conflicts, which in practice can lead to serious problems, are obviously regarded as really important and so decided at high level.

In brief

● EXPENDITURE during April on display advertising was up 20 per cent. compared with April 1974, according to the latest MEAL estimates. A total of £46.3m. was spent at rate card costs. Gross expenditure on television was up 26 per cent., and in the Press 13 per cent. Spending fell in only four categories, which included tobacco and travel.

● A RANGE of French suntan products, Bergasol, is to be distributed in Britain by Chefaro Proprietaries. Bergasol is brand leader in Holland and Belgium, and number two in France.

Leyland starts to switch

THE changes at British Leyland can hardly help but affect the advertising arrangements of the company, and although it will take the new sales and marketing director Keith Hopkins some time to review the existing agency set up the first move occured this week. Saatchi and Saatchi takes over the advertising of the new Austin-Morris 18.22 series from Leo Burnett, which has just launched the cars.

Saatchi and Saatchi already works for British Leyland on corporate campaigns, Unipart, and Wolseley, and gained the extra business, worth about £750,000 this year, in competition with another Leyland agency Dorlands. Main agencies that face an anxious few months are Hobson Bates, looking after Rover and Triumph; Benton and Bowles, with Jaguar; Dorland with Allegro and the Marina; and Murray-Parry with the Mini and the Maxi. By chance the Leyland re-assessment takes place at the same time that Ford is looking for a new agency, with J. Walter Thompson the front runner.

Speedy consolation for Leo Burnett comes in the acquisition of the Kotex sanitary protection account of Kimberley Clark. This was with Masius-Wynne Williams, and expenditure is in the region of £350,000 a year.

A.T.

In the U.S. companies are getting round the cut in advertising budgets by offering goods in exchange for advertising time. **Candace Cuniberti** reports on the boom in barter deals.

Anyone want to deal?

THOSE WHO use it agree that media-barter used to be very much like good old-fashioned horse trading: each party tried to get rid of something he didn't want, or couldn't use. A company would try to trade slow-moving, or discontinued, goods to a television or radio station, or even a newspaper, for an advertising spot, and in return he would receive a less than ideal time or space.

That type of barter, although not entirely gone, is a far cry from the far more complicated swaps that characterise much of media-barter to-day. People in the field are still sensitive about the horse-trader image, and point to a dazzling number of sophisticated deals to prove that media-barter is now conducted on a big business basis.

For the William B. Tanner Company of Memphis, Tennessee, reputedly the largest firm in the media-barter field, only a small percentage of jobs involve the use of a product trade. According to Mr. Robert Twersky, Vice-President in charge of media sales, the Tanner Company places media spots through the credits it has built up with radio and television stations across the nation. The company does no media-barter work for newspapers.

The Tanner Company has developed a broad merchandising and marketing programme that radio and television stations can use to sell themselves. Among other services, it gives them their station identity jingle and a monthly update on musical sounds. It also arranges travel and promotional campaigns for the stations, and in some instances will pay for the entire package. All these services are paid for with a dollar credit to be used for advertising time. Mr. Twersky says that Tanner has a $40m. credit "bank."

Naturally, as the recession brought tighter budgets and smaller profits, companies have been more and more amenable to any method which enable them to stretch their advertising dollar. Mr. Twersky claims that the Tanner Company is able to help companies do just that. It can deliver the advertising time the client needs to promote his product, and for a competitive price. Although Tanner traditionally catered to radio stations, its time is now equally divided between television and radio.

Like The Tanner Company, Mr. Sam Reiner places about 50 per cent. of his media spots for advertisers through the barter of merchandise. The exchange of goods for air time is done through the Reciprocal Trade Advertising Company, of which Mr. Reiner is the President.

Mr. Reiner contends that almost any of a stations needs can be met through barter. If a station needs new office furniture, or even an all new decor, film for its production, or give-aways for a special promotion—all can be arranged through barter with the manufacturer. In these exchanges, the value of the product is set at its retail price, not at the cost to the manufacturer.

Both Mr. Twersky and Mr. Reiner underscored the need for "quality goods" in a trade. Second grade or discontinued merchandise often brings a time slot that does not meet the advertisers objectives. Now that many firms have been caught with large inventories and slow sales, larger numbers are looking to media-barter as a hopeful outlet for their products.

The danger here, both gentlemen point out, is that the goods in a barter agreement may compete with the manufacturer's normal merchandising channels. This means that, effectively, a company is competing with itself. Mr. Reiner mentioned Chrysler Corporation as an example. Chrysler is trying to get rid of $30m. to $50m. worth of its surplus car inventory. One of its advertising agencies, Young and Rubicam, has negotiated with a media placement firm to swap the cars for twice their value in air time over a three to five year period.

The television and radio stations can specify the model and colour, and the dealer receives a dealer preparation fee from the parent company. Nevertheless, there is grumbling from some dealers, because the sales that Chrysler makes are, of course, one's that the dealer won't get.

When surplus goods match media needs, however, it is an effective system. Although the Civil Aeronautics Board's regulations specifically forbid the exchange of seats on domestic flights for promotional space or time, no such restrictions apply to foreign operations, and Pan American World Airways has been using barter for some years. Pam Am trades seats on its flights for newspaper space, television and radio spots. The terms are set up locally, but in general a quality spot will include both the seats and some cash.

Another kind of barter, called syndication, is more common with advertising agencies and their clients. Here a company may purchase a programme or a series. This is given to the radio or television station and in turn the company is given time on the programme for its advertising. The rest of the time goes to the station to be sold to other clients. If a media placement agency sponsored the syndication, then the time is split three ways—some for the placement agency, some for the client and some for the station.

Ted Bates, for example, on behalf of Colgate-Palmolive, produces a series called "Police Surgeon." It is distributed to 144 local stations across the nation, and according to Mr. Segal, reaches 87 per cent. of the country.

Similarly, J. Walter Thompson has purchased the "World of Survival," a nature series produced in England by Anglia Television. The half-hour segment is shown in the New York area one evening a week at 7.30 p.m. and its principal sponsor is Miles Laboratories, which manufactures Alka-Seltzer.

JWT also syndicates news shorts, produced in conjunction with Newsweek Magazine. These are one- or two-minute shorts that can be used by local television stations to supplement their news coverage. These do not have a sponsor, and JWT gives them to the stations in exchange for a "spot bank."

THE FINANCIAL TIMES

(Established 1888)
Incorporating THE FINANCIAL NEWS
(Established 1884)

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THURSDAY, MAY 15, 1975

Better than expected

THE ANNOUNCEMENT of poor trade figures for April would, in the present state of the foreign exchange markets, almost certainly have increased pressure on the sterling exchange rate. It is therefore a happy accident that the figures, though distorted to an unknown extent by the continuing effects of a dock strike, are a good deal better than might have been feared. The visible deficit last month is estimated to have been £289m., against an artificially low figure of £118m. in March and one of £290m. in February. The average current deficit for the past three months works out at £112m. (including a net surplus of £120m. on invisible account) against an average of £287m. in the three months preceding.

Imports and exports are unequally affected by a dock strike, since the import figures recorded for any particular month correspond roughly to arrivals during that month while the export figures recorded lag some two weeks behind actual shipments. In March, imports were much more affected than exports by the strike, so far as the published trade figures are concerned: the visible deficit was therefore artificially small and the apparent improvement on the figures for February was to some extent illusory. For April, on the other hand, the published figures cover a period in which imports were affected by the strike for only one week but exports for three weeks.

Distortions

It follows that, whereas the March trade balance was distorted for the better by the strike, the April balance was distorted for the worse. On that basis, the fact that the balance recorded for April is much the same as that recorded for the last "normal" month of February is undoubtedly encouraging. Although one cannot be sure until next month's figures are available, it looks as if the visible trade balance, and therefore the current account of the balance of foreign payments, may have recovered from a temporary worsening in the final quarter of 1974 and may now be on the mend.

Even if the figures already available were undistorted, however, it would be hazardous to extrapolate from them a prediction of what may happen in a few months' time. So far as imports are concerned, their volume is now being held down by the drop in industrial output—it actually fell by 6½ per cent. during the February/April period — while their average price is being pushed down by the sharp fall in various raw material prices and up by the depreciation of sterling. So far as exports are concerned, their volume and their average price are both now being affected to some extent by the slacker state of world demand. The figures (which may themselves be distorted to some extent by the dock strike) suggest that the volume of exports has fallen by 1½ per cent. over the past three months while average prices have risen by 5 per cent.

Export prices

A slower rate of growth in average export prices was to be expected, in view of growing price evidence—the latest contained in the CBI's April survey of the industrial outlook—that the price advantage of British exporters over their foreign competitors has now been largely eroded: prices, together with the state of overseas demand, are now regarded as the main factor likely to work against a further increase in export earnings over the months immediately ahead. The recent depreciation of the exchange rate may have helped to restore a little of the lost margin, and it was always clear that if prices continued to rise fast for much longer the volume of exports—which, until the beginning of this year, had been falling from the 1974 peak—would suffer, with unpleasant consequences for domestic employment as well as for the balance of payments.

If the volume of exports is not to fall further in face of slacker world demand and price-cutting in some fields, the costs—which now means predominantly the labour costs—of manufacturing industry must be kept in check. Until that result is achieved (and the TUC *Economic Committee was not able yesterday to make any real progress towards either the elaboration of new wage guidelines or more effective enforcement of those already ruling),* the improvement of the trade balance will depend largely on reducing the volume of imports as a result of stagnant or falling production and the accompanying run-down of existing stocks. Excessive wage settlements, in other words, will tend to produce higher unemployment.

An exchange of rhetoric

DR. KISSINGER, in his speech at Kansas City, appears to have set off in the wake of Mr. Wilson in proposing to the less-developed countries that the time is now right for a series of negotiations aimed to stabilise commodity prices and supplies. The reason for these initiatives is clear enough: in a few weeks delegates will assemble in New York for a preparatory meeting for the special UN Assembly in September which has been convoked to turn the rhetoric of the New International Economic Order proclaimed last year into action. The rhetoric, as it stands, is partly meaningless, and the action is likely to be misguided and disruptive; it is therefore strongly in the interests of the developed countries to initiate some more constructive and co-operative approach.

Sovereignty

Unfortunately, neither Mr. Wilson nor Dr. Kissinger seems to have taken the measure of the hopes and ambitions which inspire the commodity producers. The example of OPEC has naturally turned their first attention to commodity prices; this is where the developed countries are seen — probably mistakenly — to be at their most vulnerable. Price stabilisation, even at substantially enhanced levels, is not however the real objective. Politically and emotionally, the less developed countries want to assert their sovereignty over their own resources. Economically, they are aiming partly at a transfer of income from the richer countries, and partly at wider opportunities to develop their own economies.

In pursuit of these aims, they have already taken actions which are likely to injure the interest of everyone. On the other hand the develped countries have also been at fault in failing to allow for the natural wish of producing countries to develop their economies by further processing the commodities they possess.

If the developing countries now try to take by force of cartelisation what has not been offered in the past, the results will be very damaging. Prices will be more unstable as cartels are cobbled together and subsequently fall apart, and investment will be further reduced. The poorest countries, which have nothing to gain from these moves, will suffer most. Yet this is what is likely to happen if constructive co-operation cannot be started. But to divert the developing countries from their self-destructive path will take more than an exchange of their own rhetoric of "equitable prices," and a vision wider than that of the commodity schemes *of the last generation.*

Expansion

What is needed is an initiative which will lead the developing countries away from their restrictive obsession with prices towards a greater appreciation of opportunities for expansion. The 1974 resolution from the U.N. is not only about commodities; it has a good deal to say, though none of it is very useful, about access to markets and the transfer of technology. This is what the rich economies really have to offer in a constructive exchange. To offer to join in talks about orderly cartels is simply to encourage restrictive wrong-headedness.

British Rail: the frightening journey into the future

BY COLIN JONES

EACH attempt since the war to solve the railway problem has succeeded for only a short while and the latest attempt looks like collapsing even more quickly. However the railwaymen's pay claim is settled, it is clear that the cost of propping up the present railway system is now escalating at a rate that, according to one Cabinet Minister, is "scarifying." Whatever pay increase the McCarthy tribunal recommends, British Rail will be able to go on paying its employees and providing the present scale of services only by drawing ever larger sums from the taxpayer.

The point has already been reached when the railways' earnings from their customers are insufficient to meet the weekly wage bill. Soon, the public may be paying more in subsidies than it is contributing in passenger fares.

Increased ten-fold

In other words, the gap between the costs and the earnings of the present rail system (including the profits contributed by BR's ancillary activities) has risen more than ten-fold since 1969, from barely £50m. a year to well over £500m. This is in spite of the fact that most of the capital sunk into the system, including the greater part of the large sums spent on modernisation since 1955, has been written out of British Rail's accounts.

Even though British Rail is now raising its prices as fast as it thinks the market will bear, on present trends the gap would exceed £1bn. a year well before the end of the decade. But it is most unlikely that "present trends" will be allowed to continue. The public's patience with the present set-up—or rather that of Ministers and MPs—*is likely to snap long* before then. A subsidy of £1bn. a year or anything like that amount seems a ridiculous sum to pay in order to maintain a range of railway services which too few people want to use. Rather than pay out that amount for the present railway system, most people would probably think it more sensible to be asked to contribute to a smaller subsidy bill for a smaller railway system and many might prefer this option even if it eventually meant reducing British Rail to a rump of inter-city, commuter and freight train services.

This is of course on the assumption that the present subsidy bill is no higher than it need be, that British Rail is using its resources as efficiently as can reasonably be expected. It also assumes that the two most obvious objections against major retrenchment can be discounted. The first objection stems from British Rail's argument, which two successive governments have apparently accepted, that any substantially smaller railway system would require even greater financial support than the present one. The second objection is based upon the claim that rail transport has environmental and energy conservation advantages compared with other modes. Each of these assumptions needs to be examined.

British Rail's case for retaining broadly the present scale of rail services may at first seem formidable. It readily acknowledges that some savings could always be made by cutting out the fringe of hopeless loss-makers. But BR claims that the savings would be relatively marginal and is firmly convinced, as a result of some major studies which it conducted at the Government's request in 1971-73, that not only would major retrenchment forfeit more revenue than it would have in costs but that nowhere within the present rail system is there a core of basically profitable services which could be run at a profit or fairly modest loss if the remaining services were stripped away. The BR planners also argue that "very high costs would be incurred in the course of the transition, notably because of redundancy payments and the time-lags in cost escapement."

Economist's view

This latter point presumably would partly depend upon the period over which a programme of retrenchment was extended. But, according to Mr. Stewart Joy, a former chief economist at British Rail, the main BR argument, if true, must make it unique among railways.* For it suggests that the long run elasticity of BR's costs is lower than that shown by statistical studies for other rail systems.

Mr. Joy goes on to suggest in his book that part of the answer may be that larger railway systems are more difficult to manage than smaller ones. This has been evident in the U.S. Bigger railways, he says, "seem to find it more difficult to use their clerical and managerial labour to the best effect" and as a result they "need a disproportionately larger administrative staff than small ones." He points out that the rundown in BR activity since Beeching has not been accompanied by a corresponding reduction in its administrative tail. General administration *expenses have risen from 10* per cent. of total railway working costs in 1963 to 15 per cent. in 1970 (and 17½ per cent. in 1973).

A related point, according to Mr. Joy, is BR's obsession with the notion of a total system. Because so large a proportion of BR's total costs stem from track and signalling which are shared by all its services, it is unable (or unwilling) to identify the full expense of particular activities and thus their profitability, or otherwise. BR's claim that the country must choose between broadly the present railway or no railway at all is therefore "a blind to hide the fact that the management information system . . . cannot tell managers where to act."

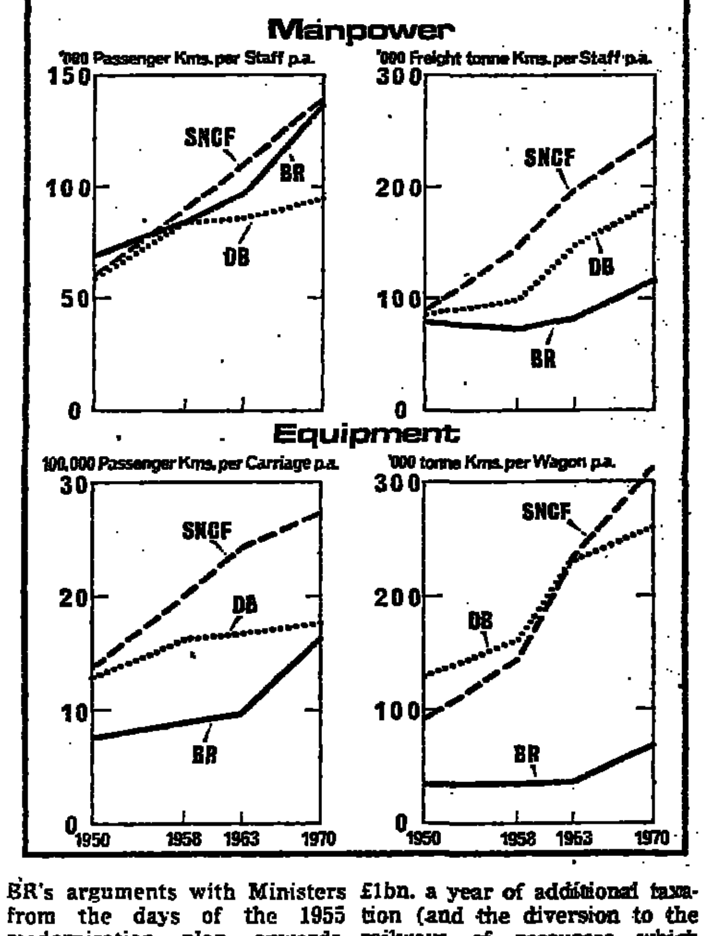
This may too harsh a judgment. But the notion of a "necessary railway"—the concept put forward by British Rail in 1973—is something which in one form or another has run like a thread through most of BR's arguments with Ministers from the days of the 1955 modernisation plan onwards, even during the Beeching reshaping exercise. It also contributed to the scuttling of Mrs. Barbara Castle's attempt to put the railways on to a viable footing in 1968.

The trouble was, first, that as a result of pressure from BR and the railway unions the rundown in the total route network was halted at the still largely current 11,000 miles or so—which was illogical—and, secondly, that BR could never quite bring itself to accept the *commercial implications of the* new policy. It made sense to go on using the railways' lesser-used facilities until they had worn out but the whole network was never able to earn enough (nor was it expected that it could) to finance the replacement both of these and BR's more profitable activities. The intention in 1968 was that British Rail should invest only what it could service from its future earnings, after grant payments. But British Rail's attitude was that the cash generated by the business, including asset sales, was insufficient to finance necessary investments.

More recently, British Rail has come to justify the case for filling this gap, and its case for the "necessary railway" on the additional grounds that such a policy would be desirable environmentally (and, now, for energy conservation purposes). There are three possible counters to this particular argument. First, are the benefits worth £1bn. a year of additional taxation (and the diversion to the railways of resources which might be more beneficially used elsewhere)? Second, just how considerable are the environmental advantages of rail transport anyway? And third, would it not be better to internalise these external costs and so retain the discipline of a market system?

There ought to be no difficulty in ensuring that energy costs are fully reflected in the cost of rival transport modes. Environmental and other social costs are more difficult to *measure and allocate, and this* will remain true for many years yet. But the present arrangement, whereby the railways get their capital largely for free and road transport pays many times more in taxation than the internal costs of the track it uses, could well represent a rough-and-ready form of justice.

In any case, how much more freight traffic could the rail system take, given the relatively small number of access points (even assuming more private sidings are built with the help of public money), the relatively small size of consignment and the relatively short average haul required in this compact island, without the environmental disbenefits outweighing the benefits? Since most rail freight hauls involve a road journey at one or both ends, rail access points tend to be major generators of road traffic. Moreover, a century ago there was as much opposition to railway building on environmental grounds as there is now to road and motorway building.



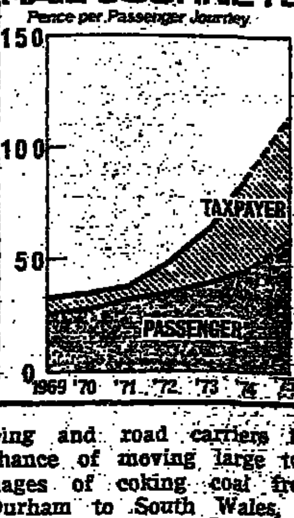
The argument about rail efficiency is similarly not all *one way: after all, the people* likely to know the best way to run a railway are the railwaymen. Those who attempt to compare British Rail's performance with comparable railway systems abroad will run into quite valid objections as to why this kind of comparison is not as easy as it might first appear. Overall comparisons of output per head overlook the many differences between the activities and circumstances surrounding national railway systems. Some try to build and repair most of their own equipment, or discourage privately-owned rolling stock: some operate in a market where road haulage is subject to highly dirigiste controls. Others operate in countries offering much longer freight hauls, a faster overall growth rate, or—on the other hand—or more competitive inland waterway system.

For all these reasons one cannot make any reliable comparisons between British Rail's overall productivity and that of, say, the French (SNCF) or West German (DB) national railways. But there may well be something to be learnt from the relative rate at which each of these systems has been able to *improve its record over the* years. As the chart indicates, the improvement in the utilisation of manpower and equipment by BR's passenger services since the 1950s does not compare all that unfavourably with French and West German performance over the same period. But this does not apply at all in the case of the freight services.

No manning agreement

The chart also underlines the point that *efficiency is not* solely a question of manpower utilisation. There are strong grounds for suspecting that many BR operations are overmanned. The lack of a manning agreement for the new high-speed trains and the lack of agreement about the single-manning of freight trains which could be safely operated by one driver (at a time when BR is still suffering from a general staff shortage) indicates that. So, too, does the obvious difficulty of obtaining real progress when management is faced with three unions.

But could not the real problem be one of organisation and managerial drive? When are we to see a real drive on freight train punctuality? Would not this unlock capacity—staff, equipment, and track "pathways"—which BR say they do not have when they turn down (or discourage by their unenthusiastic response) extra freight traffic? How possibly could BR lose to coastal shipping and road carriers the chance of moving large tonnages of coking coal from Durham to South Wales, as they did earlier this year? For how long is BR management going to tolerate its new TOPS computer system of controlling wagon-load traffic being flouted by certain yard foremen who refuse to have anything to do with it (as is now happening)? Is it wise to go on giving priority to hourly or half-hourly inter-city services (some of which may be little used) at a time when the freight service is short of capacity? (Is this because the passenger losses are *subsidised and freight is not?*) Was it sensible to turn down flat the offer of private investment, on attractive terms, for wagon building at a time when capital funds are restricted?



Some of these questions may be unfair. Others may have an easy answer. But even those who are benevolently disposed towards British Rail feel that more could be done both to improve efficiency and to convince the public of this fact. Improved efficiency would help reduce the subsidy bill and perhaps stave off the need for major retrenchment. As Mr. Sidney Weighell, the NUR general secretary, told the McCarthy tribunal last week, it is up to the public, through Parliament and the Government, to decide whether a railway system is needed. Unless BR gives a clear lead, we may soon decide we can no longer afford the present one.

* *The Train That Ran Away.* Ian Allan.

MEN AND MATTERS

Paul Hatfield moves to demolish

If you are not keen on the way the City of London looks nowadays, ponder on the Goodman Price company, which for 120 years has done most of the really noticeable pulling-down of chunks of the Square Mile.

Business has slackened off in the last couple of difficult years, though profits have not suffered, claims 30-year-old Paul Hatfield, a finance and property man who has bought privately-owned Goodman Price for probably some £500,000 and talks proudly of the demolition record.

GP took care of the old London Bridge, the former Stock Exchange, and just over the river at Waterloo the once-familiar Shot Tower to name just a few tasks. One really big job in years gone by was the demolition of all the buildings within the perimeter wall of the main Bank of England, which took GP from 1926 to 1934.

GP, until now under the control of the third generation of Prices, *also has excavation,* plant hire and haulage interests. Doing most of its business in the City, the company was based originally in Queen Victoria Street, but come the Blackfriars Underpass project a couple of years ago, GP's work included the demolition of its own former head office, subsequently transferred to Hackney in East London.

Hatfield was working as a shop assistant for tailors Hector Powe when he took to selling second mortgages as an evening sideline. Impressed with the money-making prospects of finance, he took a job with Lombard North Central. From there, he spent six months with First National Finance Corporation before setting up Crestbrook Securities with 32-year-old Michael Richardson. That is a property investment company: "We concentrate," explains Hatfield, "on difficult planning situations."

The aim was that Crestbrook should provide the cash flow to buy Goodman Price. Fortunately, as Hatfield says, "there is still a lot of work in the City" to cushion the company against recession, and there is the next generation of demolitions to think about. John Price, technical director, whose father Ralph, is sharing the managing directorship with Hatfield, is off to the U.S. next month to learn about the art of imploding high-rise buildings.

Still some cheer

The great champagne court case may not yet be over, with Showerings declaring yesterday its intention to appeal subject to counsel's final opinion. H. P. Bulmer, the other U.K. group involved, said its lawyers were still studying Tuesday's *judgment. One irony is that* actual champagne counts a fair bit in the corporate prosperity of both. Showerings is part of Allied Breweries, which imports champagne through its Grants of St. James's subsidiary. Bulmer's Dent and Reuss subsidiary has the sole licence here for Pol Roger, Winston Churchill's favourite drink (he named a racehorse after it).

I think you ought to have one other deathless piece of information about champagne. Ensuring that the traditional bottle strikes the side of a ship about to be launched, and having it shatter at the right moment, is a tricky business. Dr. Robert Hurst, director of the British Ship Repair Research Association, reports that three major Tyne yards each has a craftsman who knows exactly where to make a diamond scratch on the bottle to guarantee breakage at the moment of impact.

"They'll never make excess profits now!"

State complaints

Freddie Wood, chairman of Croda International, reckons there is "an element of paranoia developing round there." Well, perhaps it is a little understandable. Midland-Yorkshire Holdings, the Warley-based chemical group, is busy fighting off an unwelcome £8.1m. takeover bid from Croda, the management being aided and abetted by an enthusiastic employees' committee headed by Don Wiltshire, the personnel manager.

Croda got off to a flying start when it bought nationalised British Gas's 32.6 per cent. stake in the company. Then came news that Coal Products, part of the National Coal Board, has decided to sell to Croda.

Wiltshire—"Don't think I'm a management stooge," he says, pointing out his appointment was proposed and seconded by trade union representatives — claims the Coal Products stake was 5.4 per cent. Having been rebuffed by the Government on the possibility of a Monopolies Commission inquiry, the employees have begun to feel themselves under pressure from the State sector of industry. Wiltshire wonders irreverently whether the relatively insignificant situation of Midland-Yorkshire was a subject for debate when the nationalised industry chiefs, including Wood (part-time chairman of National Bus) got together earlier this week.

Hardly. But Wiltshire is incensed enough to have fired off a string of protesting letters to leading trade unionists, particularly Len Murray and Joe Gormley, as well as another to Sir Derek Ezra, chairman of NCB, demanding an explanation. Wiltshire reports that some unions are promising to put research officers on the case. One further loyalty test remains: *Wiltshire claims* British Steel Corporation has an 0.9 per cent. shareholding, and there is no indication yet which way *that* will be voted!

Forgetful

Japanese National Railways' passengers, besides leaving behind an average of Yen 5.3m. (£79,000) in cash each day on the trains, forgot in the year to March 1974, 441,000 umbrellas, 396,000 articles of clothing, 72 artificial teeth and seven boxes containing human ashes.

Observer

ECONOMIC VIEWPOINT

BY SAMUEL BRITTAN

Defects of the political market place

THERE IS currently a great deal of discussion of the defects of the market system and the pros and cons of various kinds of intervention. A provisional summary of the state of the debate is that markets work badly, but that State intervention works even worse.

The present feeling of national malaise suggests that it is time to shift attention away from the commercial market to another sort of market: the political market. This may seem a cynical attitude to those brought up on the traditional theory of democracy, in which politicians were expected to express and implement the popular will.

A little late

But it is a little late to express shock at the notion. It is nearly 30 years since the Austrian-American economist, Joseph Schumpeter, exploded the notion of a popular will and showed how it was much easier to make sense of the political process—the tendency of party policies to resemble each other more than partisan enthusiasts would like, the U-turns, the role of party leaders, and many other features—if parties were regarded as rival teams competing for votes, just as rival commercial firms compete for sales. The tendency of rival brands to incorporate each other's main features is well known in both the commercial and the political markets[1].

The political market place has many defects, as Schumpeter was well aware. But political competition for votes is a good deal better than the alternative of relentlessly pursuing the ideologies or group interests of party zealots. A large amount of survey research has shown that voters do not have the linked clusters of beliefs described by words such as "left," "right," or "centre." Indeed, on many issues the majority of the electorate hardly have views at all. They are on the whole content to leave *policies* to politicians and civil servants, and to judge by results.

A political market has the great defect compared with the commercial variety that it cannot provide different policies to suit different tastes. Common policies are enforced on those who dissent. This is an ineradicable feature of government, which should make us think many times before extending its activities. But at least the competitive approach causes politicians to pay attention to the great public rather than the sectarian prejudices of the 10 per cent. or less of the population active in political parties.

Partisan

Like all good theories, the competitive political model is an oversimplification. British parties are partly engaged in bidding for public favour and partly in attempting to impose partisan beliefs. It is a defect of contemporary British democracy that it does not even live up to the competitive model, and that the partisan element is too strong. This is particularly true of the Labour Party. One of its troubles is that its leaders are in a sense too sincerely wedded to certain time-honoured beliefs to adapt to changing events and ideas.

They are able to get away with this because of an electoral system heavily biased in favour of the two main parties. This means that, whenever the electorate is tired of Conservative rule, dislikes particular Tory leaders, or simply wants a change, a Labour Government is the only feasible alternative. Thus Labour can count on being in office a fair share of the time and this gives Labour activists of all shades a say in policy out of all proportion to their support among the electorate.

It is a well-known political adage that governments are more afraid of their own backbenchers than of the Opposition, although this is truer of Labour adminstrations than Conservative ones. The result is that too many Labour leaders have lived their political life in a peculiarly tinted world. Labour "moderates" such as Mr. Denis Healey or Mr. Anthony Crosland are much admired for standing up to the Left. But a perusal of their writings and speeches suggests that they think they can do so best by accepting its goals and values and asserting that "moderate" policies will achieve them more effectively.

> 'It is bad enough that a 51 per cent majority should attempt to make the irreversible changes of which the Labour manifesto spoke. To have them made by a minority within a minority really is too much.'

At a stroke

Even when I was a habitual Labour voter, I used to feel uncomfortable at seeing arguments in Mr. Crosland's books beginning: "As socialists . . ." I never liked the assumption that the only people worth arguing with were the Tribune Group and that the rest of us could be taken for granted. There is an element of this on the Conservative Party side when rational arguments are brushed aside by invocations of a supposed Tory tradition, but on the whole the Conservatives are a more Schumpeterian party.

Whatever its other disadvantages, electoral reform would probably end this extremely inward-looking aspect of our political parties at a stroke. Under proportional representation, it would be rare for a single party to be able to rule on its own. Whether there were a formal coalition or a minority Government depending on shifting alliances in the Commons, the effective political dialogue would be across parties as well as within them. It is bad enough that a 51 per cent. majority should attempt to make the "irreversible changes" of which the Labour manifesto spoke. To have them made by a minority within a minority—because the electorate judged the last Conservative Government to be wanting—really is too much; and electoral reform would put an end to that.

This does not, however, clinch the case for either electoral reform or coalition. The normal working of the competitive political market place — even without the inward-looking complications of the parties themselves—is itself subject to endemic and growing weaknesses. I described these fully in an article on "The Economic Contradictions of Democracy" in the April *British Journal of Political Science*[2] and can summarise them only briefly here.

The two principal ones are the generation of excessive expectations among voters and the difficulty of the system in dealing with rival coercive groups, of which the unions are at present the main example. In the commercial market place, claims that a certain kind of alcoholic spirit or underwear will bring the drinker or wearer untold virility, are soon subject to the harsh test of personal experience. But in the political market place the voter has no such personal yardstick against which to judge rival claims for costless improvement in the management of our affairs; and no party dare be left behind in the auction. Voters can and do combine cynicism about politicians with excessive attribution of blame for what goes wrong.

Unions

I have found, when presenting this thesis, that people tend to concentrate on the union problem rather than the generation of excessive expectations through the political process. But the two are very closely related. Excessive expectations find reflection in union behaviour as well as in the polling booths. Moreover, the need to be re-elected, as well as the traditional (and very necessary) constraints on the use of force prevent governments from tackling group power either by abandoning the full employment commitment or by dealing effectively with union monopoly power.

Deep-seated

These problems are too deep-seated to be solved by tinkering with the political machine. But a system of proportional representation and shifting coalitions could perhaps alleviate them. The competitive whipping-up of expectations, even of expectations from redistribution, would surely be reduced if the "winner takes all!" situation were to go, and the usual result of an election were a marginal shift in the composition of the government. And it would surely be helpful to insist that political leaders proposing fundamental and irreversible changes should at the very least have to obtain 51 per cent. of the votes.

If elections did not result in a complete changeover of all offices, there would be fewer of the pointless rehearsals and double rehearsals, of which businessmen rightly complain, and less creation, dismantling and recreation of economic and industrial institutions. Many of these are not even required by party ideology, but represent pure product differentiation. Another gain would be that we would no longer have one or more of the main parties with a vested interest in denigrating everything that goes on in the country for the half of the time that it is not in power.

Massacred

The effects of political reform on the union problem are more uncertain. But to the extent that public opinion does play a part in determining union behaviour, a government containing, or supported by, a broad political base would be more strongly placed than a conventional party regime. A separate political party based only on the unions and the Left might well emerge from a political realignment; but such a party would probably be massacred at the polls as the Labour Party was (somewhat unjustly) in 1931 when Ramsay MacDonald deserted it to form a National Government.

The main reservation about electoral reform or coalition governments is that they would tend to enshrine the conventional wisdom of the "centre," whose record inspires anything but confidence. One has only to think of the prolonged obsession with the "special relationship" with the U.S., support for American involvement in Vietnam, the determination to stay "East of Suez," the decades of devotion to the sterling area and the sterling exchange rate, the sanctity of official secrecy to cover up ineptitude in high places, and the long series of prestige projects culminating in Concorde.

Moreover, would not any Government based on a regrouping of parties be likely to go in for just those wishful thinking establishment policies criticised in this column, such as long-term incomes policies, relativity boards, excessive monetary and fiscal expansion in the supposed interest of full employment, price controls to buy union good will, artificial pegging of exchange rates, and the rest of the litany.

This does raise the question of whether it is more important to stop certain very clear evils, such as wholesale collectivisation and denial of consumer choice in education and health, and tax policies based on envy: or whether it is more important to work and wait for a Government committed to making a clean break with past misguided policies.

This is not all. The social market policies, which are the main alternative to fashionable interventionism, would not work without a prospect of continuity and stability. An announced money supply policy would not carry conviction if it became a political football. It would not be possible to revive a market in rented housing if draconian controls were expected after the next election.

Outflanked

There are other aspects. The alternation of conventional party governments has done nothing to stem the tide of misplaced interventionism. Those of us who, for whatever reason, are sceptical of mainstream political wisdom would do better to rely on argument and the lesson of events rather than on the delusive hope of capturing the citadel of one of the main parties.

1 See *Capitalism, Socialism and Democracy*, 4th (posthumous) edition, Allen & Unwin, 1952.

2 Published by the Cambridge University Press.

Letters to the Editor

Legislative drafting

From Dorothy Little.

Sir,—From a brief acquaintance with the newly published Renton Report (May 8) encouragement is to be had from its recommendations towards simplicity and clarity in statute law. Amid the turgid flood of ill-considered legislation coming from Parliament, clarity and simplicity are more-than-ever to be desired.

The committee states early (Page 3, 1.10) and in salutary fashion that "little can be done to improve the quality of legislation unless those concerned in the process are willing to modify some of their most cherished habits." This is near the heart of the matter.

The 121 conclusions and recommendations contain some common-sense proposals dealing with the use of short sentences and punctuation (16, 17, 18); the use of statements of principle (13), and they stress the interests and convenience of the users of the law are paramount (8 and 19).

These are two areas where I most welcome the proposals. The first is the use of modern aids. Improved methods are required. They are available, allied to modern technical equipment. Now perhaps they may come to serve the law as they already do other areas of knowledge. The report recommends the use of computers (61-69). This gives *great possibilities in the* organisation of material, and the search for and retrieval of information.

I only recently realised—and the report seems to bear out my fears—that not one university or established law school in the United Kingdom offers a course on legislative drafting. How amazing! Experience is vital but much help could be given by teaching. This is an important deficiency in a system of legal education and one which should be made good with urgency.

It is the first recommendation in the report (Page 149, 1).

Fortunately some educational institutions abroad have already seen the need to give attention to study and teaching in this neglected field. Not surprisingly considering the volume of original work on legal matters coming from Canada at present, one of its universities, Ottawa, provides one of the better known established courses. (I understand that a one-year specialised course leads to an LL.M. degree.)

The need for legal draftsmen in the Caribbean recently was so great that the new Norman Manley Law School in Kingston, Jamaica, invited a visiting professor (Professor Uri Yadin from the University of Jerusalem) to conduct an intensive course for its first qualifying students, and by next year will have a qualified tutor appointed to its staff and a permanent course ready. A legislative drafting course is also planned for the new Sir Hugh Wooding Law School in Trinidad.

Our need is similar. I hope we shall meet it with similarly constructive action.

Dorothy M. Little.
34, Mansionhouse Road, Edinburgh.

Selby coal mine

From Mrs. J. Blakey.

Sir,—You refer (May 12) to the "public" inquiry into the proposed Selby coal mine. "Public" seems a misnomer as you point out that much of the argument is carried out in back rooms where the public is not admitted. Even where discussion is in the public hall it is often difficult to follow as constant reference is made to documents not available to the public.

You state that after backroom talks the shafts were repositioned to everyone's satisfaction. Obviously everyone cannot be consulted individually, but not even the landowners concerned were questioned. I can assure you that there is a great deal of local opposition to each of the proposed sites. The "everyone" you refer to should have read the "authorities" as it certainly does not include the ordinary people.

J. G. Blakey.
Bouthorpe Hall, South Duffield, Selby, Yorkshire.

Electoral reform

From Mr. B. Lewis.

Sir,—While agreeing with David Watt (May 9) that much of the present crisis is due to the quality of the men and women we have allowed to emerge at the top of our political system, I cannot accept his somewhat abstract dismissal of proportional representation.

It is of course possible that in some circumstances proportional representation merely aggravates the deep divisions that already exist. But this does not appear to be the case in the U.K., where no party winning an election since 1945 has received a majority of the votes; indeed the present government only received 29 per cent. of the votes of those entitled to vote.

To pretend therefore that we have a democratic system when 70 per cent. of the electorate are either neutral or against the government is an example of political special pleading, only acceptable to most of us when politicians are seen to be capable. Those of us who have been disenfranchised periodically when one party gets a majority of the votes but loses the election, or completely as has been the case recently for the Liberals, who obtained 18 per cent. of the votes but 2 per cent. of Parliamentary seats, are at a loss to know how to contribute to the well-being of the nation in a democratic manner!

The old argument that our two-party system and unwritten constitution work is no longer true, and it seems quite possible that a change in the voting method now employed to proportional representation (or the transferable vote) would involve that very substantial part of the electorate that is permanently or periodically disenfranchised.

Indeed what is the name for a country that deliberately suppresses the democratic rights of large minorities to be represented at the seat of government?

B. A. Lewis.
53, Matlock Way, New Malden, Surrey.

Liberals in

From the Hon. Treasurer, Peterborough Division Liberal Association.

Sir,—Mr. G. R. Clarke's analysis (May 12) of the structure of the Labour Party is incorrect. It is a coalition of social democrats, socialists and quasi-marxists. The Conservatives are similarly compiled of right wing groups.

Mr. Clarke states that the alternation of these two coalitions in Government "has given us spectacular and admirable stability in our political structure." Rubbish! It has, in fact, given precisely the opposite. As one party replaces the other there is an about change in policy which has become more extreme with each successive change in Government. As a result, business is unable to plan effectively, and the electorate is confused. This is manifest in our economic decline, and increasing disillusionment on the part of the electorate and, contrary to Mr. Clarke's assessment, decreasing loyalty of the parties' supporters, as witnessed by the increase in the number of "floating voters."

The logical first step to the solution of these problems is implementation of proportional representation. This surely is the fairest and most democratic practical electoral system yet devised and will, as Mr. Clarke indicates, reduce the violent swings in political power, thus restoring confidence to business and the electorate.

Liberal Party finances are indeed poor but this is not, and never will be, a reason to betray 6m. voters and give up our cause!

W. E. Lyon.
25, Glinton Road, Helpston, Peterborough.

Brave director needed

From Mr. C. King.

Sir,—Governments complain that industry does not invest enough. Industry replies that it is government's job to produce an environment where (a) it can invest—that is, has the money or can get it, and (b) is encouraged to do so—that is, it can see sense in doing it.

Imagine the finance director of a medium-sized company considering an investment of £100,000 in plant and considering alternative uses of those funds. In your Actuary's Index of May 9 you show the yield on preference shares at 16 per cent. Since tax deducted at source can be offset against tax deducted on dividends paid, dividends are worth the full 16 per cent. to a company preference shareholder. Moreover, because dividends are paid out of profits after paying corporation tax they don't suffer a further tax in company's hands. The company would get the full benefit of £16,000 on a £100,000 investment.

If the company, however, invests in plant it has to produce a profit of £33,333 to leave £16,000 after tax. Furthermore, it could probably only invest, say, £35,000 in plant because it must finance work in progress and stock for that plant, and debtors resulting from the sales of finished goods.

Industrialists can say whether an investment in plant can produce nearly 100 per cent. per annum return in the business environment that governments over the last 20 years have left us. For myself, I think that that finance director would have to be brave to support the plant investment.

C. King.
3, The Regents, Norfolk Road, Edgbaston, Birmingham.

British Steel manpower

From Mr. A. Brewer.

Sir,—It appears to me that there is some merit on both sides of the argument concerning overmanning that has arisen in British Steel Corporation as a result of the recession in the market.

Sir Monty Finniston cannot possibly hope to run a profitable organisation without redundancies or serious reductions in the working week. Mr. Anthony Wedgwood Benn cannot accept a massive increase in unemployment, especially where this will also correspond to areas with existing high figures.

Could it not be that BSC should continue to employ most of its workforce in stockpiling very large quantities in readiness for an upturn in the market which, if 1973-74 was anything to go by, will produce massive shortages. The only long-term cure for this is investment of the magnitude envisaged by Sir Monty, and consequential closures of old and obsolete plant.

I have no knowledge of the relative deployment of manpower throughout BSC, and would doubt that stockpiling of those products produced where overmanning is currently most serious would in every case prove a successful medium-term solution. I would, however, have thought that there was some area open to negotiation and compromise.

Investment to produce a long-term solution must not be held up, but closures could still be postponed, albeit at some additional expense which the Government must provide, until new industry can be encouraged into those areas directly affected, to mop up at least some of the redundant steel labour. But these are the Government's problems (and therefore Mr. Wedgwood Benn's) and he cannot expect BSC to run unprofitably, and very uncompetitively, to bale out his ideas of Socialism. Mr. Benn has some great ideas and *principles of equality* and true Socialism, but he really must learn to look at long-term solutions to all the issues, and not just beyond his nose end.

A. Brewer.
7, Hereward Close, Romsey, Hants.

Social Security Bill

From The Chairman, Harris Graham and Partners.

Sir,—Mr. Smee suggests (May 5) that the integration of pension scheme and social security benefits is undesirable because employees have difficulty in understanding the principle.

Undoubtedly, the most simple pension schemes are those that ignore state benefits altogether. The trouble is that as the state system expands, such schemes produce the wrong pattern of overall benefits. State schemes are improved primarily to help those who have little or no other provision, and the extension of the full improvements to those who already are in high level private schemes would be a serious misuse of resources. It would, in current conditions, be particularly unfair to the very large number of existing pensioners who are suffering severely from the effects of inflation and who should have first claim on any additional resources that can be made available.

In the design of pension schemes a balance has to be struck between the need for simplicity and the need to deploy the available resources fairly and efficiently. Undoubtedly it makes life easier if all the emphasis is on simplicity. Many would consider, however, that fairness should be the primary objective, and that one of the main responsibilities should be to tackle the job of explaining to employees why the achieving of this object requires some form of integration with the state system. It is a responsibility that many already accept willingly.

Mr. Smee has misunderstood my point about Clause 32(5) of the Social Security Bill. In its present form, it would debar many high level integrated schemes from contracting-out, although their rules provide higher benefits than those of other schemes that are not fully integrated with the State system.

M. J. Crossley.
30, Queen Anne's Gate, Westminster, S.W.1.

More capital—less labour

From Mr. M. Greener.

Sir,—Your headline of May 7 concerning management claims of overmanning at British Leyland, when added to the recent comment of Sir Monty Finniston on a similar problem at BSC, puts the finger not only on the basic economic contradiction in the present organisation of industry but also on Mr. Wedgwood Benn himself.

Mr. Benn may or may not be a convinced and dedicated socialist, his attitudes to industry suggest that he wishes to be thought so, but he must not attempt this absurd antic of running with the hare and hunting with the hounds. One might suppose him to be familiar with the dicta of Marx and Engels in 1848, or at least with the less violent writings of Mr. C. H. Douglas in 1925. Both sources point out unequivocably that the Western industrial system must logically collapse in as much as it is, by its nature, geared to increasing unemployment. More intensive, and extensive, use of capital must mean less use of labour and therefore in fighting BSC and Leyland on this matter, Mr. Benn effectively denies everything that he might be supposed to stand for.

He may have the quasi-courage to press, in the face of great opposition, the claim for ever-increasing public ownership of the means of production but he shows considerable moral cowardice in refusing to admit to the trade unions publicly that they cannot have full employment at the same time. In this he is putting his public image before his private beliefs and, if he persists in so doing then his own fall may be matched by that of his country. It is because we, as a nation, cannot afford to fall now, more than at any other time in our history, that we cannot afford Mr. Benn.

Michael Greener.
9, Romilly Park, Barry, Glam.

Local authority spending

From Sir Robert Thomas, Chairman, Association of Metropolitan Authorities.

Sir,—Your centre page article (May 7) states that "local authority associations accept that the (real) increase in spending will be nearer 6-8 per cent. than the target 4½ per cent." This association accepts no such statement: nor without far more information than is now available is it possible to assess the real growth for 1975/76.

I would further submit that your article is deficient in not stating the extent of public pressures over many years for local government to provide an endless supply of additional and more highly developed services.

Robert Thomas.
36, Old Queen Street, Westminster, S.W.1.

PARLIAMENTARY BUSINESS

House of Commons: Finance (No. 2 Bill) Committee; Family Income Supplements (Computation) Regulations.

House of Lords: Nursing Homes Bill, committee on recommitment; Scottish Development Agency (No. 2) Bill, second reading; Welsh Development Agency (No. 2) Bill, second reading.

COMPANY RESULTS

Boots (full year).
Dunlop Holdings (full year).
UDS Group (full year).
"Shell" Transport and Trading (first quarter).

To-day's Events

Wood Hall Trust (half year).

COMPANY MEETINGS

Anglo-Swiss, West Drayton, 3.15.
Associated Portland Cement, Grosvenor House, Park Lane, W., 11.30.
Barton, Sutton Coldfield, 12.30.
Bibby (J.), Liverpool, 3.
Bifurcated Engineering, Aylesbury, Bucks., 12.
Clay (Richard), Waldorf Hotel, W.C., 12.15.
Horizon Midlands, Birmingham, 2.15.
Lex Service, 5, Burlington Gardens, W., 12.
Manchester Liners, Manchester, 12.30.
Molins, 2, Evelyn St., S.E., 11.
Ofrex, Ofrex House, Stephen St., W., 11.
"Shell" Transport and Trading, Shell Centre, 11.
Spong, Basildon, 11.30.
Whiley (George M.), 20, Aldermanbury, E.C., 3.
Wilkes (James), Wolverhampton, 2.30.
Wolstenholme Bronze Powders, Bolton, 12.
Yorkshire Chemicals, Leeds, 12.

COMPANY NEWS + COMMENT

Allied Irish Banks growth—£10.8m. rights

WITH THEIR preliminary statement of results for the year to March 31, 1975, which shows an increase in taxable profits (after a £1.4m. special provision against advances) from £12.2m. to £15m., the directors of Allied Irish Banks announce a rights issue of £11.088m. 10 per cent. Convertible Unsecured Subordinated Loan stock 1985 to raise about £10.8m., after expenses.

A "satisfactory" profit improvement was indicated by the directors last October—the first half figure was up from £5.46m. to £7.51m.

Earnings per 25p share for the year show an advance from 14.9p to 17.8p. A final dividend of 15½ per cent., less tax, lifts the total from equal to 19.17 per cent., adjusting for a scrip, to 25 per cent.

Group profit before tax comprises the parent bank £11.91m. (£10.17m.), subsidiary companies £2.96m. (£1.89m.) and associates £133,000 (£134,000).

A change in an accounting policy in the parent bank has necessitated an adjustment to the 1973-74 published figures. This adds £161,000 to profit before tax (£81,000 after tax) for 1973-74 but is solely for comparative purposes and does not affect previously reported revenue reserves.

The loan stock issue, which is being made with a view to broadening the equity and capital base of the bank, is offered to shareholders on the basis of £1 stock for every four shares held on May 2, fractions of stock being disregarded.

The subscription price of £100 per cent. will be payable as to £25 per cent. on acceptance on or before June 11 and the balance on or before July 9. Provisional allotment letters will be posted on May 21 and dealings (nil paid) are expected to commence the following day.

Holders of stock will be entitled, on giving notice in July in any of the years 1977 to 1985 inclusive, to convert on July 31, all or part of their holdings into fully paid shares of 25p at the rate of 83 shares for each £100 stock.

	1974-75 £000	1973-74 £000
Profit	16,408	12,193
Special provision	1,400	—
Pre-tax profit	15,008	12,193
Taxation	7,121	5,603
Minority holders	11	*22
Extra-ordinary debit	37	*63
Attributable	7,839	6,675
To capital reserves	214	377
Dividends	1,802	1,381
Retained	5,823	4,917

* Credit.

Consolidated balance-sheet	1974-75 £000	1973-74 £000
Shareholders' funds	65,113	53,386
Current, deposit, etc. accounts	1,139,424	962,474
Sundry accounts	18,583	12,607
Cash and investments	617,106	509,304
Advances, less provsns.	499,667	433,244
Items in transit	56,250	54,308
Fixed assets	48,849	30,806
Associates	1,218	745
Totals	1,223,120	1,028,467

These terms give a conversion price of approximately 120.5p per share to compare with a quotation of 114p on the Irish Stock Exchange, and with the middle market quotation of 113p on the Stock Exchange, London, on May 13.

Panmure Gordon and Co., Simon and Coates, Butler and Briscoe, and J. and E. Davy, stockbrokers, have underwritten the issue.

● comment

The Convertible rights issue by **Allied Irish Banks** comes just over a year after the very similar £10.25m. issue of subordinated Convertible by Bank of Ireland. It is in line with the world-wide trend for banks to raise new capital to improve their balance sheet ratios; in AIB's case the move will add roughly a point to the ratio of shareholders' funds to deposits which stood at 5.4 per cent. according to the most recent published balance sheet (for last September 30). Meanwhile, profits have fulfilled the half-time forecast of a satisfactory improvement in the second six months, rising 26 per cent. compared with October-March, 1973-74, despite the latest period's special bad debt provisions.

HIGHLIGHTS

British Leyland's half-year results reveal an increased pre-tax loss to £19.8m.; however, the overall picture is considerably worsened by an exceptional write-off of £29.3m. which reflects the closure of the manufacturing facilities in Spain. Lex also discusses the Government injection of £15m. in **Ferranti** in return for 62 per cent. of the equity and 50 per cent. of the voting rights. **General Accident** and **Royal** both report first-quarter figures; GA has dropped back against a reasonable comparable period, while Royal has improved against a relatively poor quarter in 1974. In both cases, there have been increases in the underwriting losses in North America, an improvement in the Australian underwriting experience and a slowdown in the growth of investment income. Elsewhere, **Duport** shows profits a third ahead of the previous year and also announces a rights issue to raise £2.8m. **Allied Irish Banks**, too, is raising £10.8m. Other prelims come from **Readicut, Head Wrightson, Alfred Marks** and **Fidelity**—all with lower profits, and **Deritend, John Folkes Hefo** with increases.

Jones Grp. jumps £171,000

TAXABLE PROFITS of the Dublin-based **Jones Group** expanded from £766,000 to £937,000 in 1974, on a turnover of £7.63m., against £5.23m.

Earnings per 10p share are stated to be up from 4.08p to 4.56p; and the dividend is lifted from 3.1p to 4p gross, with a final of 3p.

After tax of £477,000 (£384,000) and minorities £7,000 (£14,000), the profit available was £453,000 (£368,000).

Members are told that there is a substantial volume of business on hand and they are satisfied there is sufficient finance to meet requirements.

They are confident group earnings in the current year will show an increase.

Deritend upsurge to £1.66m.

THE IMPROVEMENT in profit indicated by **Deritend Stamping** turns out to be from £1.04m. to £1.66m. for the year to February 28, 1975, after £740,000, against £429,000 for the first half. Sales for the year expanded from £13m. to £18.08m.

Stated earnings per 50p share increased from 20.1p to 32p, and the dividend is stepped up from 7p to 7.6p net with a final of 4.8p.

The directors report that a reasonable start has ben made to the current year but prospects, in line with industries generally, are uncertain.

	1974-75 £	1973-74 £
Sales	18,078,000	12,999,000
Interest charges	59,733	19,875
Pre-tax profit	1,660,284	1,036,594
Taxation	874,472	542,542
Net profit	785,812	494,052
Extraordinary debits	62,738	93,500
Retained	536,407	228,632

● comment

Trading conditions were particularly buoyant for Deritend during 1974-75, and pre-tax profits shot up by 60 per cent. after a 72 per cent. increase at the interim stage. However, Deritend may have run out of steam and a far more modest performance looks likely this year. The order intake is beginning to slacken off and there are now two companies on short-time working. The group's biggest single customer is British Leyland, and although Deritend's products are aimed at the heavier truck and bus production, future demand is uncertain. Meanwhile, the group is far below borrowing limits of £2.46m.; by February, 1975 the overdraft had reached £592,000 against £421,000 the year before, and £750,000 last August, while shareholders' funds are over £4½m. At 120p, the yield of 10.1 per cent. is covered 4.2 times.

Head Wrightson recovery

AFTER REPORTING a loss of £1.42m. at half way—struck after exceptional provisions of £1.83m. (£482,000)—against a profit of £431,000, general engineers, **Head Wrightson and Co.**, now announces that profit before tax for all the year ended January 31, 1975, amounted to £302,000 compared with £1.17m. Earnings per 25p share are given at 1.13p (5.76p). A final dividend of 1.125p net—there was no interim—compares with last year's total of 2.246025p.

The directors state that with the exception of steel stockholding the group has excellent order books and despite the stockholding downturn has made a record start to the current year.

The group is now trading well within facilities available to it and has financed a "significant" increased turnover with no material change in borrowing.

	1974/75 £000	1973/74 £000
Group turnover	53,165	40,369
Trading profit	2,975	2,562
Contracting	556	578
Manufacturing	733	672
Machines	28	227
Steel Foundry & Forg.	454	177
Stockholding	1,125	874
Overseas	79	34
Exceptl. costs less other income	615	337
Iron Foundry & Head Wrightson (Australia)	1,192	663
Interest	883	397
Leaving	285	1,165
Investment Income	17	4
Profit before tax	302	1,169
Tax	134	377
Net profit	168	792
Extraord. debits	§153	—
Dividends	167	331

§ Relate to the iron foundry, Head Wrightson (Australia) and amounts written off nuclear investments and goodwill.

During the year lack of orders for tunnel segments resulted in suspension of production at the iron foundry. Head Wrightson (Australia) went into liquidation. Trading losses of these companies are shown separately. Other amounts are included in extraordinary items.

The intrest charge has increased due to high rates an dhigher short term borrowing particularly in the middle of the year.

● comment

Shareholders of Head Wrightson must be relieved to see that net worth is intact at £9.7m. after an attributable loss of £820,000 in the first half. In addition, a strong profits performance in the second half—trading profits rose by 45 per cent.—and a firm control of net working capital requirements to leave year end borrowings lower has permitted a final dividend. North Sea work, where development costs feature heavily in exceptional items of £615,000, seems to be a non-starter but elsewhere, with the exception of stockholding, the order book seems bright enough, although at £64m. is a fifth lower than last year. As for future contract profitability, inflation at current rates can easily distort cost variation clauses, but the experience with iron founding is unlikely to be repeated. At 18p the yield is 10.3

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
West Bromwich Spring	0.69	—	0.63	0.91	0.84
John Folkes	0.72(c)	Aug. 15	0.6	1.02	0.88
Head Wrightson	1.12	July 18	1.55	1.12	2.25
Alfred Marks	1.95	June 17	2.01	3.3	3.03
MAM ...int.	1.95	July 21	3.35	—	5.03
Readicut	0.72	—	0.66	1.04	0.96
Brit-Borneo Pet.	3.3	July 10	3.03	5.04	4.64
NSS Newsagents ...int.	0.54	July 8	0.49	—	1.58
Deritend Stamping	4.8	July 9	4.38	7.6	7.0
Allied Irish	15.5(a)	July 2	11.25*	25	19.17*
External Trust	1.45	July 4	1.05	2.7	2.1
Duport	1.89	June 13	1.73	3.33	3.11
North Midland Const. int.	0.45	—	0.4	—	1.0
Bainbridge Brothers	0.88	July 2	0.88	1.4	1.4
Transatlantic & Gen. Inv.	1.45	July 4	1.17	2.7	2.05
Scottish Heritable Trust	0.79	—	0.7	1.49	1.35
Sheffield Brick	1.96	July 1	1.8	2.71	2.5
London Prudential Inv.	1.06	July 17	1.0	1.89	1.7

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Percentage gross. *(b) Forecast final 1.19132p net on increased capital after one-for-one rights at 10p.* (c) Comprising second interim 0.367056p and final 0.351171p.

Readicut second half downturn

ON SALES up from £35.83m. to £42.2m., group pre-tax profit of **Readicut International** decreased from £4.43m. to £4.03m. in the year to March 31, 1975, after £1.46m., against £1.36m., at half-way.

Mr. Frank Newhouse, chairman, attributes the fall in the main to considerable increases in costs, *higher finance charges, delay and* difficulties in obtaining adequte selling prices, and the absence of stock profits when compared with 1973/74 trading.

Capital expenditure was £1.88m. and benefits will soon begin to flow through, he says. It is impossible to foretell the short-term future but there is no doubt about the longer-term prospects," for which all the prerequisities of success are present," the chairman declares.

A final diivdend of 0.72381p raises the net total from 0.9581p to 1.04138p nèt per 5p share.

	1974-75 £	1973-74 £
Turnover	42,395,282	35,834,948
Retail profit	799,391	687,278
Textiles mfg.	879,125	1,171,825
Yarns	267,624	339,271
Carpets	400,657	794,435
Others	696,638	490,010
Overseas	1,287,193	1,267,744
Total profit	4,330,018	4,740,363
Loan stock interest	297,285	305,744
Profit before tax	4,032,733	4,434,819
Tax	2,004,874	2,179,458
Net profit	2,027,859	2,255,361
Extra-ordinary credits	63,224	145,416
Preference dividends	32,285	32,268
Ordinary	628,459	573,305
Retained	1,432,306	1,794,631

● comment

Second-half profits at **Readicut** may be over 16 per cent. down, compared with the October-March session in 1973-74, but the underlying trend looks less gloomy. Admittedly, among the laggards, a £0.2m. shortfall on Australian carpets may not be entirely abnormal, as tariff barriers, not dumping, will affect performance, but stripping out £0.25m. of textile stock profit in 1973-74 narrows the shortfall here from 25 to 5 per cent. The group also managed to avoid stock losses on the yarn side, and rug-making profits were broadly unchanged. The bank interest charge practically doubled to £0.45m. as the capital spent rose by about 50 per cent. to £1.88m., but stock appreciation relief, followed by tighter control of working capital, cleared the group overdraft by the year-end. At 22p, the yield is 7.4 per cent.

Fidelity down £0.75m.

PROFIT BEFORE TAX of **Fidelity Radio** *declined from £2.2m. to* £1.46m. for the year ended March 31, 1975. At half way the fall was from £907,000 to £534,000.

Earnings per 10p share are shown to have fallen from 13.01p to 8.38p already known, totalled 3.956p (3.3568p) net.

There is an extraordinary credit relating to a net surplus arising on the disposal of a liability of £663,000.

Borrowings of £1m. were obtained to complete the building of a new factory, at Acton, now operational.

	1974-75 £000	1973-74 £000
Turnover	13,273	15,158
Profit	1,459	2,208
Taxation	786	1,168
Profit after tax	673	1,040
Extraordinary credit	663	—
Dividends	322	254
Trans. in respect of scrip	28	—
Retained	1,042	756

● comment

Delays in moving to the new factory hit Fidelity in the second half since it was unable to cope with the strong demand for some of the more higher-priced hi-fi units; the company felt that it could have sold another 1,000 units per week or added between £75,000-£85,000 in terms of turnover. In the event, profits are down by 30 per cent. over that period (on a small drop in sales) for an overall shortfall of 34 per cent. The move has since been completed (increasing production capacity by up to 75 per cent.) but the question is whether or not Fidelity has missed the boat. There was substantial pre-VAT buying in April but thereafter the U.K. radio and stereo/hi-fi market would seem to be heading for a state of (temporary) limbo. True, the retailers are very short of stock, but demand will govern how quickly these are replenished. But the shares at 26p have a useful buffer in a 17 per cent. yield.

Statement Page 5

Downturn at Alfred Marks

FOLLOWING a marginal rise *from £0.42m. to £0.43m.* in the first half, taxable profits of **Alfred Marks Bureau** finished 1974 some £0.3m. lower at £0.7m. Group sales rose from £10.72m. to £13.59m.

Stated earnings per 10p share fell from 19.03p to 11.02p. The dividend is lifted from 3.033p to the maximum permitted 3.3p net, with a final of 1.95p.

The chairman, Mr. Bernard Marks, says reduced demand and substantial cost inflation were a major factor in the results of most U.K. companies. New branches opened were subject to higher than *previously* experienced running-in losses. The specialist services, in particular the industrial staff division, "suffered considerably" and expansion of these activities has not been possible.

As to the future, he says the directors have complete confidence, notwithstanding the current general difficulties.

It would be unrealistic to expect the combined effect of inflation and reduced levels of business will *not have an adverse effect* upon profits in 1975, he warns, but the Board has made significant reductions in expenditure, which, combined with a recent increase in fees, will assist overall profitability.

	1974 £	1973 £
Group turnover	13,589,401	10,723,803
Profit before tax	702,641	1,007,882
Taxation	396,023	472,265
Net profit	306,618	535,617
Pre-acquisition losses	5,614	4,640
Minority	903	518
Attributable	313,233	540,775
Dividends	93,736	86,151
To reserves	219,499	454,624

● comment

Alfred Marks' 1974 profits do not compare too favourably with those of Reed Executive. Like Reed, Marks has suffered losses on its non-employment agency interests (amounting to £47,000) but whereas the former was able to increase its staff recruitment profits by 15 per cent., the latter saw a downturn of roughly a fifth in this division. The main difference appears to be in the mix of recruitment work carried out by each company. While Reed's office recruitment side is bolstered by its involvement with accountancy and executive staff, Marks' only really important diversified interest is in the volatile industrial sector. In fact it was this part of the group's activities which accounted for virtually all the employment agency downturn. In the current year, Marks is looking for a sharp turnround on the dry-cleaning side and break-even at the contract-cleaning operation. However, with temporary placings still depressed throughout the employment agency sector, it might be unwise to expect a full recovery in 1975. At 28p, the shares may derive a little satisfaction from a yield of 19½ per cent.—which is four points higher than Reed's.

NSS profit advance: £0.8m. issue

IN ADDITION to reporting an expansion in taxable profit from £727,000 to £928,000 for the half year ended March 30, 1975 **NSS Newsagents** *announces a one-for* one rights issue of 8,434,237 Ordinary 10p shares at par. The issue will raise about £843,000 and will not be underwritten.

The Board says that provided the group is allowed to trade at realistic *margins*, further progress is anticipated in the second half. Last year's profit was £1.42m.

Sales for the half year advanced from £9.14m. to £13.39m. Tax takes £483,000 against £378,000.

Earnings per share are shown to be up from 4.11p to 5.25p. The interim dividend is lifted from 0.49245p to 0.53825p net equal to 8.25 per cent. (7.35 per cent.) gross on existing capital, and a maximum permitted final of 1.19132p on the increased capital is forecast.

At March 30 the group was trading from 300 branches, an increase of 21 since the start of the financial year.

● comment

On the face of it NSS would not seem to need an injection of funds given the strong balance sheet and the apparently adequate cash flow. However, the dividend yield of 3.2 per cent. did seem a trifle low and this has now been bumped up to around 8 per cent. at the ex-rights price of 32p. NSS claims that the funds will enable it to acquire a number of smaller shops that are coming on the market, as the one-man businesses feel the effects of costs pressures, as well as financing some larger town centre shops, where the capital employed is that much greater. In the meantime trading remains buoyant, particularly while post-Budget tobacco stocks last. On new stocks, however, gross margins will be considerably reduced although higher cover prices on newspapers will offset this to a certain extent. All-round, then, shareholders should be pleased with this interim package.

John Folkes well on target

ON A TURNOVER up from £41.49m. to £49.23m., group pre-tax profit of **John Folkes Hefo** advanced from £2.85m. to £3.55m. in 1974.

When reporting first half profit up from £1.34m. to £1.55m. the directors expected higher second half figures.

A second interim dividend of 0.367056p per share plus a final of 0.351171p gives a total of 1.018227p, compared with 0.879945p.

	1974 £000	1973 £000
Turnover	49,233	41,492
Trading profit	6,312	4,765
Depreciation	1,045	728
Interest charges	1,517	1,094
Directors' emoluments	185	94
Auditors' remuneration	34	31
Leaving	*3,612	2,918
Loan stock interest	64	71
Profit before tax	3,548	2,845
Taxation	1,869	1,460
Net profit	1,679	1,385
Pre-acquisition, etc.	—	54
Available	1,703	1,331
Mort. Res. written back	34	—
Pensions reserve	90	23
Off goodwill	388	185
Preference div.	3	3
Ordinary	876	582
Forward	4,238	3,472

* Comprising (£000s omitted): Engineering £3,373 (£2,004), housing £9 (£751), merchanting £225 (£161).

Balances due to bankers decreased from £8.92m. to £4.87m.

● comment

Profits growth at John Folkes Hefo has duly accelerated in the second half of the year, following an interim increase of 16 per cent., pre-tax profits are ahead by a *quarter after a 51 per cent.* increase in interest charges and a near £0.75m. drop in housing profits. Steels and forgings (mostly supplied to North Sea and process industries) have shown substantial advances and, in the current year, the latter should make further headway. About one-third of the reduction in bank borrowings, which should lead to a fall in interest charges of over £400,000, is due to fixed asset disposals and lower stocks of housing land and work in progress, the remainder being attributable to strong cash flow and working capital improvements in the engineering companies. The trend towards improved liquidity is expected to continue, with negligible tax bills in 1975-76, and the shares, at 16p, are well supported by a yield of 10 per cent.

Orders ahead at Telephone Rentals

New order intake of **Telephone Rentals**, both for rental and sale, for the first four months of the current year is "comfortably" ahead of that at this stage last year, reports chairman Mr. E. H. Cooper.

This coupled with the strong financial position, leads the directors to anticipate that the outcome for 1975 will be much in line with the previous year, assuming there is no further marked deterioration in the economic climate.

Capital expenditure is estimated to be some £2m. and is mainly in respect of progress payments for a building at Milton Keynes. The directors are satisfied that funds available are entirely adequate to cover costs involved.

A statement of source and application of funds shows a decrease in liquid resources of £3.2m. (£316,000 increase).

The profit margins of the U.K. companies are within the reference levels agreed with the Prices Commission, says Mr. Cooper.

As reported on May 1 profit before tax for 1974 rose £751,000 to £7.45m. and the dividend is lifted from 4.11p to 4.37p net.

Meeting, 197, Knightsbridge, SW, on June 11 at 12 noon.

Bodycote remains confident

ALTHOUGH THIS may prove to be a difficult year for the **Bodycote International** textile group, the Board remains confident of the future. The first quarter of the current year has already seen a satisfactory trading result which, hopefully, will continue throughout the year, says chairman Mr. J. C. Dwek.

He points out that the group has "important" overseas earnings, and the underlying distinctive strength of its products and service should enable it to withstand the effects of inflation and present recession in the domestic economy, and provide a sound base from which to expand when more normal conditions permit.

Capital investment has proceeded according to schedule, and increased working capital has been made available to expand protective clothing and safety division.

The consolidated balance-sheet shows an *increase in the net worth with net assets per share increasing from 14.19p to 17.63p. The directors considered it was prudent to conserve financial resources and the emphasis on improvement in group liquidity is reflected in "healthy" cash position.

Profit before tax for 1974, reported April 28, improved from £1.42m. to £1.69m. and the dividend is lifted from 0.569p to 0.6151p net.

Meeting, Manchester, on June 11 at noon.

BLMC midway losses

After extraordinary debits of £29.3m., **British Leyland Motor Corporation** incurred a net loss of £42.9m. in the six months to March 31, 1975 compared with a loss of £12.7m. in the same previous year period.

The trading loss of £1.8m. against £8.3m. is struck after depreciation of £25.7m. compared with £22.4m. The extraordinary items represent the estimated net costs of closing down local manufacturing facilities in Spain.

	Six months 1974-75 £m.	1973-74 £m.
U.K. sales	455	405
Overseas sales	388	336
Total sales*	843	741
Trading loss	1.8	8.3
Net interest payable	18.0	8
Loss before tax	19.8	16
Tax credit	6.7	4
Minority	0.6	0
Extraordinary debits	29.3	
Net loss	42.9	12

* Including direct exports from U.K. of £273m. (£218m.).

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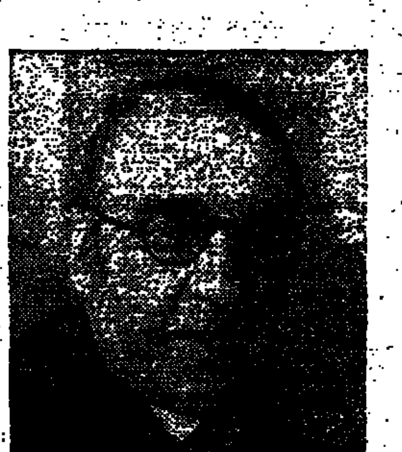
See Lex

S. Pearson & Son

"...despite the troubles of 1974 most of our Group companies have been able to strengthen their positions of leadership in their respective markets"



LORD COWDRAY'S STATEMENT TO SHAREHOLDERS

Like most major British companies, our Group was severely affected by the inflation which mounted through 1974 and still continues and I regret having to report the first profit reduction since the Group became publicly quoted in 1969. Although I believe that the threat to private sector companies and their prospects posed by a rate of inflation exceeding 20 per cent is now more widely recognised, we shall still face a very grave situation until the rate of wage increases is brought more into line with productivity. Nevertheless, I am glad to be able to report that despite the troubles of 1974 most of our Group companies have been able to strengthen their positions of leadership in their respective markets.

Total Group profits in 1974 were £20,427,000 before tax against £25,714,000 in 1973, and the share of those profits attributable to the Group after deducting minority interests and pre-acquisition profits was £14,288,000 compared with £18,103,000 the previous year.

After tax of £7,864,000 (£8,928,000 in 1973) attributable earnings were £6,424,000 (£9,175,000 in 1973), but after including extraordinary and in 1973 exceptional items, the net surplus was £15,149,000 (£15,367,000 in 1973). As before we have made full provision against profits before tax for net unrealised depreciation on dealing investments at the year end.

The total dividends for 1974 have been increased by the maximum permitted of 12½ per cent to 7·76835p per share, inclusive of tax credits.

During the year we drew on some of our accumulated liquid resources to invest in further development. For example, in 1974 and 1975 we shall have provided some £6,000,000 towards financing Doulton's considerable capital expenditure programme in its tableware and glass operations. The financial strength of Lazard Brothers was further evidenced by the completion of the sale of 10/11 Old Broad Street, their former premises, and this assisted the bank to expand its business considerably. However, in several Group companies the cash flow trend was negative and this cannot be allowed to continue unchecked. In these companies the priority task for 1975 is to control costs still more stringently and increase margins where possible so that borrowings are kept to acceptable levels and more cash is generated for investment and growth. Determined efforts are being made to establish new overseas markets where artificial restraints on profitability do not apply, and those trading activities rendered less profitable by inflation are being reviewed and, where necessary, reduced or eliminated. This programme calls for enterprise and co-operation at all levels in the Group. We welcome and have encouraged new measures where appropriate to assist those who work in the Group to understand the complex factors affecting their businesses, and particularly the real effects of inflation. I hope that this process of broader mutual information and consultation will further improve working relations.

Although a substantial part of our profits is derived from abroad, the Group's base is in the United Kingdom, and we cannot prosper here without government policies designed to strengthen and encourage the private sector of industry. We must be allowed to retain enough cash to invest, and our energies and enterprise must not be diverted by excessive bureaucracy or controls. Provided also that a worse recession in world trade is averted, this conservatively financed Group, with its widespread international interests, and its unique combination of high quality businesses, can look ahead with confidence to a resumption of soundly based profit growth.

I should like to pay tribute to Monsieur Pierre David-Weill, a senior partner in Lazard Frères, Paris and New York, and also a director of Lazard Brothers & Co., for over forty years, who died early in 1975. Monsieur David-Weill worked tirelessly to strengthen the links between the three Lazard houses in Paris, New York and London, and the success of each of them owes much to his wisdom and skill.

Another blow was the serious illness suffered by Lord Poole, the Group's Chief Executive, in October 1974. However, I am glad to report that he is making good progress towards recovery and we wish him an early return to better health.

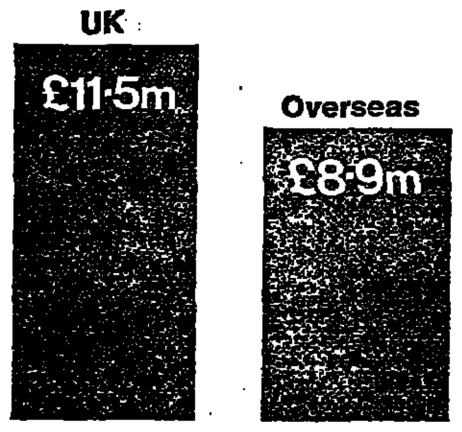
We have made a reasonably encouraging start in 1975 but as was the case this time last year, I cannot make a reliable forecast for the year as a whole. Much will depend on the outcome of the referendum on United Kingdom membership of the European Community. I strongly believe that it will be in the Group's, as well as the general, interest that this country should remain a member of the Community.

I have already emphasised the importance which we attach to the continuing development of good working relations with all employees. We have been helped by the fact that this Group consists largely of medium-sized manufacturing or service companies, so that the problems of communications are more easily manageable. I should like to thank all employees in the Group for their contributions in a difficult year.

The Year's Results

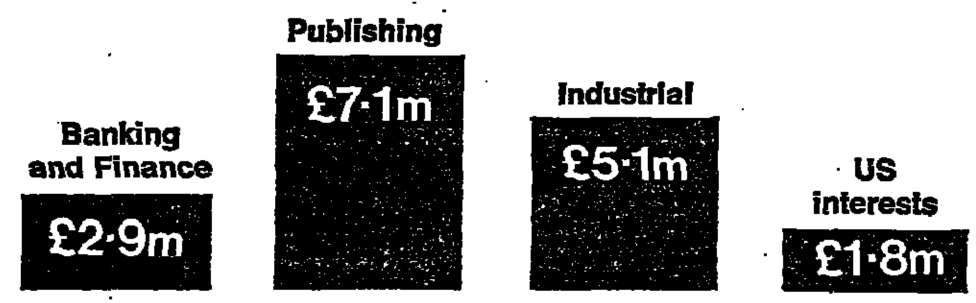
Group profit before taxation	£20,427,000
Less minority interests and pre-acquisition profits	6,139,000
Attributable profit before taxation	14,288,000
Less taxation	7,864,000
Net surplus including £8,725,000 extraordinary items	15,149,000
Preference dividend	17,000
Ordinary dividend	3,462,000
Surplus retained including £9,163,000 to capital reserve	£11,670,000

Pre-Tax Profits UK and Overseas*



*Before deducting minority interests.

Pre-Tax Profits from principal activities*



*After deducting minority interests but before Head Office charges.

Group Interests

The Pearson organisation comprises four main divisions employing over twenty-nine thousand people with capital employed in excess of £200m.

BANKING AND FINANCE **Lazard Brothers & Co., Bain Dawes.**

PUBLISHING **Pearson Longman Group: Financial Times, Westminster Press, Longman, Penguin, Ladybird.**

INDUSTRIAL **Doulton Group: Royal Doulton, Royal Crown Derby, Minton, Doulton Glass Industries.**

OVERSEAS INTERESTS **Ashland Oil (U.S.A.), Chateau Latour (France).**

These are only some of the products and services of Pearson.

S. Pearson & Son, Limited

Millbank Tower, Millbank, London, SW1P 4QZ

Copies of the Report and Accounts may be obtained from Lloyds Bank Registrar's Department, The Causeway, Goring-by-Sea, Worthing, West Sussex, BN12 6DA.

COMPANY NEWS

Royal first quarter improvement

RESULTS of Royal Insurance showed an improvement in the first quarter of 1975 to a pre-tax profit of £6.7m., compared with £4.1m. in the same 1974 period.

The underwriting element within this was a rather lower loss of £7.0m., against £8.5m., though the loss in the important U.S. market worsened to £7.5m. from £6.8m.

At yesterday's annual meeting, when these figures were disclosed, the chairman, Mr. Daniel Meinertzhagen, said that, chiefly because of the motor sector, the insurance industry in the U.S. showed no sign, as yet, of improvement in the very difficult conditions prevailing at the end of last year.

But, following measures the group had taken, results in some other lines of business, notably general liability and workmen's compensation, had improved considerably.

Overall, the U.S. outcome in the first three months represented a slowing down of the adverse trend, though it was too soon to say this trend had been definitely reversed.

	First quarter 1975 £m.	First quarter 1974 £m.	Year 1974 £m.
Prem. written*	189.8	166.1	663.9
U.S. underwriting loss	7.5	6.8	27.2
Elsewhere profit	0.5	†1.7	†12.6
Total loss	7.0	8.5	39.8
Long term insce. profits	0.4	0.3	1.7
Invest. income	12.9	12.0	51.8
Share assocs.	0.4	0.3	1.3
Profit before tax	6.7	4.1	15.0
Taxation	2.5	1.6	4.3
Net profit	4.2	2.5	10.7
	%	%	%
Operating ratios U.S.:—			
Claims to earned prems.	81.1	79.4	78.8
Expenses to written prems.	27.6	28.9	30.0
Operating ratio	108.7	108.3	108.8

* General insurance. †Loss. ‡ 3.5p per unit (2.1p and 8.9p for year).

Underwriting elsewhere produced a profit of £0.5m., against a loss of £1.7m., with the loss in Canada significantly reduced. In Britain, there was a good profit, though slightly lower. In Europe reasonable profits were earned, but in other overseas areas there was a marginal underwriting loss. First-quarter investment income was £0.9m. up at £12.9m.

Of the new Policyholders Protection Bill, he said it contained many features which the industry agreed with. But they felt strongly that the Bill's provisions to facilitate rescue of companies in difficulty were inimical to the long-term health of the industry, and would merely encourage irresponsible competition. They also had considerable misgivings about the power to enable the Secretary of State to extend the scheme more widely and lay down guidelines for its operation.

Long term insurance new business written was: New life and annuity premiums — Periodical premiums £2.8m. (£2.4m. and £11.1m. for year); single premiums £2.7m. (£5.3m. and £15.4m.) making £5.5m. (£7.7m. and £26.5m.).

New sums assured totalled £156.4m. (£149.5m. and £601.3m.), and new annuities per annum £6.2m. (£3.7m. and £22.9m.).

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See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's time-table.

TO-DAY

Interims:—Sir Joseph Causton, Concentric, Fluidrive Engineering, Leeds and District Dyers and Finishers, Lloyds and Scottish, Northern American Trust.

Finals:—Boots, Brent Walker, Cakebread Robey, Cater Ryder, Cope Sportswear, Downs Surgical, Dunlop, Edinburgh Industrial Holdings, FPA Construction, Harcros Investment Trust, Hield Brothers, Hunting Gibson, Industrial and General Trust, King and Shaxson, Pyramid Group Publishers, Sabah Timber, O.C. Summers*, UDS Group, Whitbread Investment.

FUTURE DATES

Interims:—	
Carr (John) (Doncaster)	May 21
Chemring	May 23
Halstead (James)	May 23
McCorquodale and Co.	Jun. 3
Morland and Co.	May 28
Roan Consolidated Mines	May 30
Warner Estate	May 22
Finals:—	
Armitage Shanks	Jun. 11
Booth (International Holdings)	May 19
Capper-Neill	May 29
Castings	May 22
De La Rue	Jun. 3
French Kier	May 19
Frith (W. G.)	May 21
Hardy and Co. (Furnishers)	May 20
Lipton (L.)	May 22
Ocean Wilsons	Jun. 10
Old Swan Hotel (Harrogate)	May 17
Ozalid Group	May 28
Reed International	May 23
Sumner (Francis)	May 22
Time Products	May 20

*Amended

Advance at British-Borneo

AFTER A RISE from £262,937 to £357,887 in the first half, taxable profits of British-Borneo Petroleum Syndicate finished the year to March 31, 1975 at £595,166 compared with £446,254 previously.

Earnings are shown to be up from 6.1p to 7p per 10p share and the dividend is lifted from 4.642p to 5.042p net with a final of 3.302p.

The Stock Exchange value of group investments at March 31 is shown at £6.94m. (£8.27m.).

	1974-75 £	1973-74 £
Dividends and int.	474.527	373.198
Realisations, short-term interest, etc.	274.743	191.869
Making	749.270	565.067
Admin. expenses	56.097	61.827
Eurocurrency interest	70.631	44.794
Exploration expenses	27.836	12.192
Profit before tax	595,166	446,254
Corporation tax	180.700	100.500
Tax on franked inc.	100.544	72.383
Net profit	313.922	273.171
Dividends	226.890	206.800
Forward	339.673	272.946

Duport £10m. and rights—but 1975 warning

PRE-TAX profits up from £7.49m. to a record £10m. for the year to January 31, 1975, an increase in the dividend to the maximum permissible, and a 2-for-9 rights issue, at 45p per 25p share, to raise £2.8m., are announced by Duport.

But the directors give a warning that for the current year a "significant" reduction in earnings against last year is "inevitable." However, results so far support their view that the diversity of the group's interests (which are in the steel, foundry, engineering and domestic equipment industries) represent a considerable source of strength, and present indications are that the curent dividend rate on the increased capital will be "amply covered."

Earnings per share for the year are shown at 15.41p, against 12.35p basic, and at 12.21p, against 9.91p fully diluted. The net dividend total is brought up to 3.379969p, compared with 3.1059p with a final of 1.88588p.

Inflation accounts prepared by the company show a pre-tax profit of £7.49m. (£7.22m. in 1974) and basic earnings of 7.96p (9.09p).

The chairman, Mr. E. C. Sayers, reports that the recession in demand in U.K. markets and overseas is now affecting to a varying degree all parts of the group, with little indication of its ultimate extent or duration.

The worldwide downturn in trade has created a substantial surplus of steel, and the group's facilities have been materially affected.

It seems that present recessional conditions are likely to continue at least to the end of this year—vigorous steps are being taken to minimise the effects.

The high level of earnings has been of "prime importance" in helping to offset some of the worst effects of the increasing rate of inflation on cash resources. Despite payment of £2.14m. in cash for John Harper and Company, bank borrowings increased by only £1,550,000. There is a "strong balance sheet with borrowings only 25.3 per cent. of shareholders funds."

Direct exports reached the record level of £14¼m. Sales to Common Market countries totalled £3.40m., an increase of 83 per cent. over the two years since the U.K. joined.

The rights issue has been underwritten by J. Henry Schroder Wagg and Co. and is subject to an increase in authorised capital to £14m. It is offered to holders registered May 2. Brokers to the issue are Capel-Cure Myers.

Net proceeds will be used initially to reduce short-term bank borrowing, but are primarily intended to provide finance for the major programme of investment and expansion.

During the last five years Duport has invested nearly £15.5m. in new buildings, plant and equipment, and it is planned to spend a further £25m. over the next five years, which is designed to carry the group through to new levels of profitability.

Duport has reached an agreement with Midland Bank for a secured loan of £10m. for 10 years, and the balance of the expansion finance required is proposed to be provided out of retained profits and proceeds of the rights.

The loan will carry interest 2 per cent. above the current base rate of Midland Bank, and will be additional to the group's existing overdraft facilities.

At April 25, 1975, loan capital and indebtedness of the company aggregated £12.18m. The directors consider that, taking into account bank facilities available, but excluding the proceeds of the rights issue and the 10-year loan, the company has sufficient working capital for present requirements.

	1974-75 £000	1973-74 £000
Turnover:		
Steel division	64.334	45.536
Engineering	36.817	24.026
Domestic Products	35.008	32.607
General	3.325	3.052
Less inter divisional	2.441	1,986
External sales	137,043	103,235
Trading profit:		
Steel	8,368	5,199
Engineering	1,335	1,010
Domestic	707	1,638
General	151	281
Interest payable	1,000	846
Associates	209	204
Profit	10,000	7,486
Taxation	5,478	3.861
Net profit	4.522	3.625
Extraordinary items	172	104
Net profit	4.694	3.729
Dividends	1.024	947
Retained	3.670	2.782

Profit on trading is after charging depreciation £2.32m. (£2.08m.) and rental for hire of equipment £758,000 (£498,000).

● comment

Duport is a third ahead pre-tax and, for the second year running, steel has been the major influence on the group's profits growth. However, the steel cycle is now reversing itself downwards rapidly and 1975-76 is likely to prove another dull year in engineering and kitchen furniture/bedding; excluding the Harper acquisition, engineering profits last year were only just ahead. Thus Duport's cash flow is declining at a time when the group's determination to bring in new plant is keeping capital spending high; 18-months of delay to the extensions at Llanelli could not have happened at a worse time for inflationary capital costs. Last month net borrowings amounted to 33 per cent. of end-1974/75 shareholders' funds. This is by no means crucial but Duport has a long tradition of conservative debt ratios. The group reckons that its £12.8m. of funding takes care of the foreseeable situation; the rights are worth 2½p a share and at 59p the ex-rights yield is 9.5 per cent.; and the dividend is apparently in no danger.

Profit fall likely for Coates

IT IS UNLIKELY that current year profits of Coates Brothers and Co. will reach last year's levels, and the fall will be especially notable in the first half, says the chairman, Mr. J. B. M. Coates.

He points out that traditionally profits improve in the second half, but in the present situation any such improvement presupposes an improvement in the present level of demand. Mr. Coates will report further when the interim statement is issued.

As reported on March 22 group pre-tax profit increased from £6.21m. to £8m. in 1974 after a sharp advance from £2.75m. to £4.39m. at halfway. The dividend is raised from 1.588p to 1.7732p net per share.

During the last quarter, and more especially since the turn of the year, demand both at home and overseas suffered a sharp contraction due to widespread destocking by customers. It was therefore difficult to avoid some measure of overstocking with further consequential effects upon liquidity. Net liquid funds decreased from £2.98m. to £1.73m.

The directors say they believe it will be in the interests of the U.K. company through its export potential, that the U.K. should continue to participate as a member of the EEC.

In view of replacement of assets in circumstances where depreciation was based upon historic cost £1m. was transferred from revenue reserve to a special asset replacement reserve. This year it is proposed to make a further £1m. transfer, and similar decisions will be implemented by several major overseas companies.

The company manufactures printing inks and supplies for the printing industry. Meeting, Eastern Street, W.C., June 6, at 2 p.m.

BTR current sales up

Sales of BTR, the belting products, mouldings and hydraulic equipment group, in the first four months of its current year were some 40 per cent. ahead in most countries, and in the U.K. exports were 60 per cent. up. However, the increase in new orders has been running at more modest levels.

This was stated by chairman, Mr. David Nicolson, at the annual meeting. He said first half operating profits should "fully reflect" benefits of higher sales and while adverse business trends would influence earnings in the U.K., "any effect on our customary earnings growth for the year as a whole must take account of the greater proportion of overseas earnings," he said.

Although last year's figures looked good, it was only seven years ago that BTR was making practically no money and he felt that "we have not yet built up the reserves we would like to have done."

GENERAL MINING ISSUE RESULT

Of the 633,936 Ordinary shares of R2 offered to shareholders in General Mining and Finance Corporation, 489,173 (77.2 per cent.) have been taken up.

The balance of 144,763 shares have been taken up by Federale Mynbou Beperk, the underwriters.

Peak Invest. profit

First half (to November 30, 1974) turnover of Peak Investments totalled £2.39m., compared with £4.19m., and there a profit of £60,605, against a loss of £41,865, subject to foreign tax of £11,016 (nil). For the year to May 31, 1974 there was a loss of £27,473.

Since November 30, 1974, manufacture of agricultural trailers ceased and group activities now consist of the manufacture of caravan chassis and components, electronics and property development and letting.

The comparative half-year turnover figure includes sales of peak commercial vehicles, the business of which was sold on April 4, 1974. No share of the associated company profit has been taken as the entire investment of 3,446,759 shares in Burndene Investments has recently been sold—46,759 through the market for £4,433 and 3.4m. placed outside the market at 8p per share on a partly deferred basis.

Of the total consideration of £272,000 in respect of shares placed outside the market, £93,600 has been received and the balance is payable over two years.

Sound basis for CES

"We have a sound basis for further expansion by organic growth and acquisitions," says Mr. Murray Gordon in his statement with the accounts of Combined English Stores Group for the year ended February 1, 1975.

Whatever the future may hold for business activity in general, the group now has considerable strength, he adds. It is a multiple specialist retailer operating over 500 shops in the U.K. and Belgium.

As announced, sales increased by 20 per cent. during the year to a record £45m. and profits before tax by just over 10 per cent. to a peak of £3.5m. The dividend is raised from 20.25 per cent. gross to the equivalent of 30.02 per cent. gross.

Despite early repayment of a £1.25m. loan and further substantial investment in fixed assets, the financial position showed a "considerable improvement" during the year. Net liquid assets at the year-end had increased by nearly £4.6m.

EUCALYPTUS PULP

The Board of Eucalyptus Pulp Mills states that the operating subsidiary in Portugal, Companhia de Celulose do Caima SARL, has not been included in the nationalisation of the cellulose industry in Portugal announced in Lisbon.

SOUND DIFFUSION

Sound Diffusion says the dividend announced on April 22 of 15.75 per cent. gross exceeded the Treasury permitted increase, and has been reduced to 13 per cent. gross.

'Cautious optimism' at Taylor Woodrow

MR. R. G. PUTTICK, chairman of Taylor Woodrow, says he views the future with "cautious optimism."

Although there has been a down-turn of building and civil engineering work in this country, the group has continued to get its share of new business—and the trading companies are holding up well and the volume of overseas work continues to grow.

The directors feel that it is not possible to establish with any precision the effects of the present unsettled state of the property market upon the 1973 valuations but, having reviewed the group's portfolio and having regard for the recent improvement in the property market arising from the removal of rent restrictions and other factors, they do not consider it appropriate to make any adjustment in the accounts bearing in mind that these properties are held as long-term investments.

As reported on April 9 pre-tax profit for 1974 advanced from £9.11m. to £10.47m. and the dividend is raised from 4.2577p net to a maximum permitted 4.7234p

A geographical analysis of turnover and profits shows: U.K. £149m. and £5.47m., Australia £11m. and £240,000 loss, Far East £10m. and £1.06m., North America £23m. and £2.2m., Middle East £18m. and £1.1m., Africa £10m. and £89,000 loss and Europe £8m. and £919,000.

Mr. Puttick declares that it is the unanimous view of the Board "that it is vitally important Britain remains in the EEC."

Meeting, Grosvenor House, W., on June 6 at noon.

Chairman's statement Page 25

Good start by Cape Inds.

Trading in the first quarter of the current year at Cape Industries had exceeded expectations, chairman, Mr. Ronald Dent, said at the annual meeting.

But he warned that it would be unwise in current conditions to assume that the remainder of the year would necessarily be as good.

Shareholders approved an increase in the authorised share capital from £5.25m. to £6.5m.

Forecasts reaffirmed by MAM

REPORTING first-half profits down from £743,341 to £710,719 before tax, the directors of Management Agency and Music tell members that, despite the small reduction, they are of the view that, as previously forecast, profits for the year to July 31, 1975 will not "differ materially from the £1.93m. of 1973/74."

First-half turnover rose from a restated £4.47m. to £4.92m. Tax takes £369,574 against £388,537 leaving £341,145 compared with £358,804.

Earnings are shown to be down from 4.92p to 4.7p per 10p share. The interim dividend is 1.95p (3.35p) net and it is still intended to pay a gross total of 7.5p (same) for the year.

Statement Page 22

MINING NEWS

High gold price vital for South Africa

BY LESLIE PARKER, MINING EDITOR

IN HIS ANNUAL statement Mr. Harry Oppenheimer, chairman of Anglo American Corporation, says that the South African economy is going through a difficult time and it looks as though no renewed upswing can be expected until next year and even this assumes that a fairly high gold price will be maintained, that the world trend towards lower interest rates will continue, and that the capital inflow will be on a reasonable scale.

Mr. Oppenheimer thinks that the present gold price can no longer be regarded as sufficient in itself to ensure the continuance of an exceptional level of prosperity and that a comparatively high price is now positively necessary for South Africa's economic well-being. It is also clear that rapid economic expansion such as that of the past two years requires a substantial capital inflow from abroad.

As regards gold itself, Mr. Oppenheimer considers that investment therein must surely reflect the conviction that a gold foundation may yet provide the best answer to the problem of securing a sound, stable and equitable world monetary system. He thinks it unlikely that the producing mines will achieve profits this year on the greatly increased 1974 scale as the bullion price has so far shown no further upward trend while working costs continue to increase rapidly.

For the industry as a whole they rose by 25.4 per cent. last year and a rise of a similar order must be expected in 1975, particularly in view of further wage increases. The wage bill represents around 50 per cent. of gold-mining costs. The rising cost of capital projects is also stressed. The Anglo group itself has probable expenditure on hand for its gold-mining segment of about R750m. (£477m.) in 1975 money terms over the next five years. Most of it will be financed from profits. A first issue of shares to the public in the new Elandsrand gold prospect is expected later this year.

Coal is likely to become one of the growth industries of the decade, Mr. Oppenheimer says. So the group is undertaking a very considerable expansion programme involving capital expenditure of R47m. this year, rising to R169m. by 1979.

As usual, Mr. Oppenheimer, although presenting an interesting survey of the group's widespread activities, does not venture any predictions about the future course of profits for Anglo American itself. Reading between the lines, however, and always assuming that there will be no sharp relapse in the gold price, it seems reasonable to expect that earnings will at least be sustained and that a further increase in the dividend (29 cents for 1974) will be possible. In any case the group is well poised to take the fullest advantage of any recovery in world economic conditions. Yesterday the shares were 480p cum premium in London.

Union Corpn. meeting

The chairman of Union Corporation, Mr. E. Pavitt, is taking a leaf out of Sir Ronald Prain's book in the old days of the RST meetings in New York by holding a similar kind of informal gathering of Union Corporation shareholders in London. The date is May 21, the venue Winchester House in Old Broad Street, the time 11.15 a.m. although a film about various aspects of the corporation's business will be shown at 10.45.

The object of the exercise is for Mr. Pavitt to answer shareholders questions. Naturally most of these are likely to be posed in the light of the prolonged battle for control which ended up with the General Mining group gaining a just on 30 per cent. stake in the company.

NEW FACES FOR GOPENG

At the reconvened annual meeting of Gopeng Consolidated in London yesterday certain Board changes were made which, as detailed by the chairman in a letter to shareholders on May 6, were considered "advantageous" to the company. The chairman, Mr. J. D. Hellings, told the meeting that the changes met with the approval of W. E. Moulsdale, a wholly owned subsidiary of Straits Trading, who had earlier said that they opposed the re-election of three of the existing Board.

As already known, Mr. D. C. Thomson has resigned and is to receive compensation for loss of office. Mr. D. M. Backhouse and Mr. C. H. Fell, who were also originally opposed, were re-elected and two new members were voted on to the Board. They were Mr. J. G. Richardson, a director of Charter Consolidated and chairman of Tronoh Mines, and Mr. T. H. Macer, a director of Kinta Kellas Tin Dredging. Mr. T. M. Walker is to become an alternate director of the company for Sri Tan Chin Tuan who is the current Straits Trading representative on the Board.

Despite the Board changes, there were no shareholder questions at the meeting and all the resolutions were passed unanimously. Gopeng were 7p down at 253p.

BOUGAINVILLE

Efforts to resume production as soon as possible and certainly by the start of next week are being made at the Rio Tinto-Zinc group's strike-hit Bougainville copper-gold mine in Papua-New Guinea according to a company spokesman in Panguna.

As a result of rioting which began on Tuesday but now appears to have subsided completely, more than 700 employees have been charged with offences connected with the riot and a further 300 are in detention pending further questioning.

The spokesman said that skilled personnel will have to be recruited from overseas owing to the policy of dismissing persons convicted of offences against the company. "If they all go to jail that will be 1,000 of our workforce. We can continue to operate but it will be on a reduced scale" he added.

Earlier company estimates have put daily production losses at around \$A0.5m. (£0.3m.) while damage may be in excess of £1m. could have been done at the mine. The riot was thought to have started following a protest against the dismissal of a union official for attacking a company security guard. Bougainville were 102p yesterday.

RECENT ISSUES

EQUITIES

Issue Price p***	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p***	+ or −	Div. Amount	Times covered	Gross Yield	P/E Ratio
—	F.P.	—	£26½	£23	Bell Canada ($25)	£24⅝	...	—	—	—	—
‡	F.P.	—	£22¼	£17½	Cont. Can. Inc. $US1	£21⅛	+⅛	$1.8	—	3.7	—
ʘR2	Nil	30/5	105	23	Deelkraal Gold Mining	92pm	+2	—	—	—	—
†1	F.P.	—	131	130	Ewart New Northern	131	...	—	—	—	—
140	70	20/6	103	84	Rank 'A'	100	−5	—	—	—	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price	+ or −
£100	F.P.	—	100½	98⅝	Agricultural Mortgage 11% 1976	98⅝	......
$98	F.P.	—	$96½	$96½	Grangex 9¾% Bonds 1986	$96½	......
£97¾	£40	—	38¾	37	GLC 12½% Stk. 1982	37½	......
♦	F.P.	22/8	100	100	Greenwood & Batley 15% Uns. 1976	100	......
£99	F.P.	30/5	102¼	99½	Lincoln Corp. 13% 1980	100	−½
††£99	F.P.	30/5	106½	101	Mid-Kent Water 10% Prf. 1980	104	−1
**	F.P.	23/5	13½	11¾	Mid-Southern Water 10% Prf. 1980	135	......
£100	Nil	21/5	19½	c 6	N. Atlantic Secs. 7½% Cnv. 95-98	19½pm	+½
$96	F.P.	—	98	$96½	Ottawa-Carleton 9% Deb. 1990	$97	......
$99	F.P.	—	$101	$92½	Papua New Guinea 9¾% Guar. 1985	$100	......
††£76	F.P.	—	105¼	100	Rickmansworth & Uxbridge 11% Prf. 1980	103½	−1
£100	F.P.	30/5	149	122	Slough Estates 10% Conv. Uns. 87/90	151	−2
£99½	£45	7/6	46¼	43½	Southend-on-Sea 12¾% 1981	43½	−½
£99	F.P.	11/4	105	99	S. Staffs. Water 10% Prf. 1980	104½	......
**	F.P.	18/4	105	101	Sutton District Water 10% Prf. 1980	104	−1
—	F.P.	14/2	85	60	Worth (Bond) 12% Conv. Uns.	—	......
≠£100	£50	8/10	87	67	Yorks Chems. 12¾% Conv. Uns.	77	+1

"RIGHTS" OFFERS

Issue Price p***	Amount Paid up	Latest Renunc. Date		Stock	Closing Price p***	+ or −
100	Nil	—	—	Ash & Lacy	13½pm	......
35	Nil	16/5	2/7	Associated Biscuit	28pm	+2
10p	F.P.	15/5	18/6	Aurora Holdings	10	......
60	F.P.	11/4	23/5	Barratt Dev.	97	−4
35	Nil	—	—	Cadbury Schweppes	6½pm	−1½
25	F.P.	28/4	30/5	Cantors Eng.	52	+2
10p	F.P.	2/5	30/5	Croda Int.	56	......
55p	Nil	19/5	10/6	Delta Metal	8½pm	......
$1.20	Nil	—	—	EZ Inds.	66pm	......
R2.5	F.P.	—	—	F.S. Saaiplaas R1	202	......
53p	F.P.	2/5	23/5	Fothergill & Harvey	68	−2
175	Nil	19/5	20/6	Guest Keen	51pm	−1
45	F.P.	16/4	16/5	McPherson (D.)	51	......
100	Nil	—	—	Manbre & Garton	28pm	−5
60	Nil	—	—	Martin Black	33pm	−3
60	Nil	16/5	13/6	Morgan Crucible	30pm	+3
47	Nil	—	—	Tarmac	18pm	......
56	F.P.	4/5	27/5	Rolls-Royce	53½	−½
Kr60	Nil	—	—	S.K.F. "B"	200pm	......
95	Nil	—	—	Simon Eng.	109pm	−1¼
58	F.P.	2/4	16/5	Sketchley	56	−1
77	F.P.	12/5	6/6	Spirax-Sarco	108	......
90	F.P.	22/4	22/5	Steetley	114	−1
125	Nil	—	—	Richard & Wallington	11½pm	......
190	F.P.	29/4	1/5	Tube Invs.	470	−4
24	Nil	—	—	Western Selection	7pm	......

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend, cover based on previous year's earnings. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ☼ Offered to holders of Ordinary shares as a "rights." ♥ 280 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ♦ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. ≠ With warrants.

General Accident first quarter downturn

REFLECTING AN underwriting loss of £5.7m., against a profit of £0.7m., first quarter 1975 pre-tax profit of General Accident Fire and Life Assurance Corporation contracted from £8.5m. to £3.1m.

Profit for all the year 1974 was down from £40m. to £21.4m.

As anticipated, a reduced level of cash flow and lower short-term interest rates combined to produce a slower rate of growth in investment income, the directors state.

They point out that the bulk of the underwriting loss was incurred in North America, the U.S. contributing £3.9m. and Canada £0.8m., but there was also a loss in Australia after reserving a further £0.6m. to provide for impending workmen's compensation legislation. South Africa after some years of profit suffered a reverse, partly attributable to flood losses in Transvaal, and EEC operations produced a loss.

Underwriting conditions in the U.K. remain difficult, particularly in the motor and liability departments where rate adjustments have scarcely contained the effects on costs of rampant inflation, a small loss was incurred overall.

In the U.S. the operating ratio is 109.39 (96.9) per cent. although there are indications that the rate of inflation there is being at least stabilised, costs continue to escalate against inadequate rate levels.

There can be little improvement "until rating authorities realise that interests of policyholders are best served by acknowledging that rating increases which are patently necessary for the health and stability of the industry should be immediately granted," the directors add.

	First quarter 1975 £m.	1974 £m.
Net written premiums	106.1	99
Investment income	8.8	7.9
Underwriting loss*	5.7	†0.7
Long-term ins. profit	0.4	0.4
Interest charges	0.4	0.4
Profit before tax	3.1	8.5

* General business. † Profit.

The directors emphasise that the results for the interim period do not necessarily provide a reliable indication of those for the full year.

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See Lex

CEDAR HLDGS.

Following confirmation by the Court, on Monday, of the reduction of capital of Cedar Holdings necessary in order to allow implementation of the reconstruction proposals, the proposals have now become effective. Within the next few days a circular will be sent to all stockholders setting out details of the issue of new share certificates and of the final payment of interest on the Convertible stocks.

Good order book at Lec

IN HIS annual statement, the chairman of Lec Refrigeration, Mr. C. R. Purley, tells members the directors are confidently expecting 1975 to be another satisfactory year, and the order book is in a "very healthy condition."

The Calais factory, which went into production during 1974, is developing satisfactorily and should produce good results this year. Plans for extending this factory are already well advanced.

As reported on April 18, taxable profits advanced from £0.86m. to £1.09m. in 1974 and the dividend is the maximum permitted 2.91195p (2.685p) net.

Exports increased by 120 per cent. to a record £2.80m. A geographical analysis of export turnover by percentage shows:—Europe 40.9, Australasia 26.6, N. and S. America and the Caribbean 13.2, Africa 10.7, and the Middle East 8.6.

Mr. Purley says the first months of 1975 show a still further "healthy" increase in exports, with better margins than in the home market.

A statement of source and application of funds shows a decrease in cash balances of £3,900 (increase £15,063), and an increase in overdraft of £127,300 (decrease £61,836).

Meeting, Bognor Regis, June 6 at 11.30 a.m.

Powell Duffryn in Belgium

Powell Duffryn's Vac-All industrial cleaning service in the U.K.'s steel, chemical and power supply industries, is to serve as a springboard for a new Belgian-registered company which has been formed to operate a similar contracting service in the Benelux countries and northern France.

The new company is wholly-owned by PD's European holding company, Societe Europeenne Powell Duffryn, and is managed by PD Pollution Control which provides the Vac-All service in the U.K. as part of its operations in industrial waste disposal and effluent treatment.

It is the first subsidiary of Societe Europeenne to be formed since that company was established last year to spearhead expansion in Europe.

Lighting & Leisure confident

THE CHAIRMAN of Lighting and Leisure Industries, Mr. N. H. Davies, says that, while there was only a marginal improvement in pre-tax profits, from £281,085 to £287,400 for the six months ended January 31, 1975, the performance, when viewed against the general background, is "perhaps more than creditable."

As regards the future he states that despite the general difficulties he expects the company to prosper. It is difficult to indulge in a profits forecast, he adds, but he regards the future with confidence and considers that for the full year, in the absence of unforeseeable circumstances, members "will not be disappointed with the trend of increasing profits."

Earnings per 10p share are shown to have risen from 3.33p to 3.5½p. The directors propose to recommend a final dividend of 0.062p net raising the total to 2.362p compared with 2.1p last time, paid from profits of £607,453.

	Half year 1974-75 £	1973-74 £
Sales	3,759,197	2,856,199
Trading profit	320,032	309,515
Depreciation, etc.	32,632	28,430
Profit before tax	287,400	281,085
Taxation	148,000	150,000
Net profit	139,400	131,085

Profits would have been "substantially" higher had the lighting division not suffered a severe fire in June, 1974. While this marginally affected last year's results the replacement cost and resultant production difficulties was felt this half-year. The warehouse has been rebuilt and will be ready for occupation again this month, says the chairman.

Varta cautious despite first quarter upturn

BY GUY HAWTIN

FRANKFURT, May 14.

WEST GERMAN industrialists have shown a marked reluctance this year to stick their necks out and predict their companies' likely performance in 1975. Count Hans Von Der Goltz, Deputy Chairman of Varta, the battery, pharmaceuticals, electrical and plastics concern, is no exception.

Varta, he said to-day, viewed the future with caution but not without optimism. This was as far as he would go despite a 9 per cent. increase bringing group world turnover to DM425m. in the first quarter of the year.

Count Von Der Goltz said that it was impossible at this point in time to give a certain forecast for the year. So much, he said, depended on influences beyond the concern's control — on economic developments within Germany and in important overseas markets.

Competition remains fierce in the dry-cell battery business, which accounts for an important proportion of the concern's turnover. According to Count Von Der Goltz, there is considerable over-production in Western Europe.

In the battery sector turnover in the first quarter rose by 12 per cent. to DM240m., but this was attributable to growth in exports to overseas markets and Eastern Europe. Group production within West Germany showed turnover up from DM143m. in the first quarter of 1974 to DM155m. Domestic business however was virtually stagnant and the 8.5 per cent. growth rate was a result of increased exports.

Varta's Busch-Jaeger subsidiary was showing a most satisfactory improvement in business, he said. Turnover was up in the first quarter by 12 per cent. to DM147m. compared with the same period of the previous year. The home business showed a 9 per cent. growth rate bringing turnover to DM109m.

In the pharmaceuticals and dietetics sector performance was satisfactory, although the cosmetics branch has been affected by the general decline in sales.

The technical products branch had been affected by the recession in the construction industry as had the CEAG subsidiary—also hit by the downturn in the computer industry—and Varta-Plastic which was suffering as a result of the motor industry's decline as well.

For 1974, said Count Von Der Goltz, the Supervisory and Executive Boards were recommending a dividend of 14 per cent. or DM7 per DM50 nominal share. This compares with the 20 per cent. paid for 1973 but last year the share capital was increased from DM103.2m. nominal to DM154.8m. Net profits totalled DM21.7m. compared with DM20.6m. the year before.

Total group turnover for 1974 was up 16.8 per cent. to DM1.69bn., while the turnover of the West German operations rose by 17.4 per cent. to DM1.3bn. The volume of exports increased by nearly one-half, bringing the share of exports in total turnover up from 16.8 per cent. in 1973 to 21.2 per cent. in 1974.

Year of consolidation at Westdeutsche Landesbank

BY NICHOLAS COLCHESTER.

BONN, May 14.

IN WHAT it describes as a year of consolidation, the Westdeutsche Landesbank achieved a moderate increase in profit to DM117m. after tax in 1974 on a small increase in balance sheet total. Its performance thus contrasted with that of the big commercial banks which benefited from a large increase in interest differentials.

Presenting its report and accounts the bank revealed that it had signed a co-operation agreement with a Hong Kong merchant bank, Asian International Acceptances and Capital, which is a subsidiary of Hutchinson International. Westdeutsche Landesbank is taking up U.S.$5m. in capital notes in this bank with the option to convert these into an equity stake at a later date.

Dr. Ludwig Poullain, the executive chairman of the Westdeutsche Landesbank, explained that the bank had been moved to pursue a modest business policy last year because of the foreign exchange trading losses of DM270m. which the bank had incurred in 1973 and revealed in January.

The year was, in any case, one of economic recession which did not offer lively capital market business. Westdeutsche was, moreover, insulated from the cheap flows of savings which helped the big commercial banks by its traditional role as the savings banks' bank. It was thus one step removed from the cheap money on offer.

The year's net earnings of DM117.8m. compared with a figure of DM107.4m. for the previous year. They allowed the bank to increase its reserves by DM85.4m. to bring the bank's share capital plus reserves up to DM1.58bn. A further DM32.4m. was distributed to the bank's public guarantors. The balance sheet total rose by DM3.4bn. to DM57.2bn.

Citroen, Peugeot turnover boost

BY RUPERT CORNWELL

PARIS, May 14.

CITROEN and Peugeot, the two French car manufacturers due to merge at the start of next year, to-day both announced sharp increases in first quarter 1975 turnover — thanks however mainly to much higher prices rather than any increase in sales by volume.

Automobiles Peugeot, the latter's principal operating subsidiary, reported an increase to Frs.3.1bn. from Frs.2.2bn., a jump of some 40 per cent., while Automobiles Citroen registered an improvement to Frs.2.1bn. from Frs.1.6bn., up over 30 per cent.

However the dismal domestic market makes it abundantly clear that these improvements reflect above all the successive price rises that the French companies have applied over the last 12 months, as well as the continuing buoyancy of exports, which to a certain extent has compensated for the fall in France itself.

In the first quarter of the year Citroen's French sales have dropped by 16 per cent. to 67,000 units from 79,000 in the corresponding period of 1974. Thanks, however, to the new CX model, the company has done better than average. March's total of 19,000 was 20 per cent. down on a year before.

At the same time the rationalisation of model ranges of the two companies is continuing apace. Following Citroen's decision a week ago to stop production of the DS, a similar fate has now befallen the 404 of Peugeot, which with 2.3m. produced in 15 years, has been a backbone of its output.

Daimler relative strength

By Jonathan Carr

BONN, May 14.

DAIMLER-BENZ, which survived the depressed year of 1974 considerably better than most vehicle manufacturers, to-day announced net profits slightly down to DM269m. against DM277m. in 1973, and expressed cautious optimism about prospects for this year.

The company is proposing to pay a dividend of 15 per cent. on increased capital of DM1.19bn. in respect of 1974 against an 18 per cent. dividend on DM951m. in 1973. In both years the total dividend payout amounts to 1.3 per cent. of turnover.

The results are very much as expected after a year in which Daimler, the makers of Mercedes cars, repeatedly managed to show a small year-to-year increase in sales when many competitors were seeing their turnover plummet drastically.

Sales for the whole Daimler-Benz group were up by 9.8 per cent. to DM16.9bn. while the German company alone registered a 9 per cent. rise to DM14.2bn. Exports were up by 26 per cent. so that the export share of total sales rose from 42 to 49 per cent.

The first four months of this year have seen a rise in sales of 15 per cent. to some DM5.5bn., and a particularly strong increase in commercial vehicle production—to 48,700 units against 53,500 in the same period of 1954. Passenger car production totalled 115,500 against 117,100 a year earlier (a period when there were more working days).

Daimler-Benz expresses confidence in its business outlook, despite continuing cost increases, and expects 1975 as a whole to close with a "satisfactory result."

Lufthansa load factor drops

By Jonathan Carr

BONN, May 14.

THE WEST GERMAN airline Lufthansa carried more passengers in the first quarter of 1975 than in the same period of the previous year—but freight transport fell off because of the economic downturn in the Western industrialised world.

While the number of passengers increased by 7.1 per cent. to 2.2m., the quantity of freight droped back by 9.2 per cent. to 60,857 tons and that of mail by 3.6 per cent. to 9,304 tons.

Available capacity, marked in particular by the introduction of another four DC-10-30's each able to seat 220 passengers, increased by 17.8 per cent. to reach a total of 913m. ton kilometres. However, ton kilometres sold increased by only 4 per cent., so that Lufthansa's total load factor dropped by seven points from 62 to 55 per cent.

Japanese shipping lines report squeeze on margins

BY PETER DUMINY

TOKYO, May 14.

Japanese shipping lines report reduced profits on revenues averaging 52 per cent. increases, as they prepare for the worsening oil tanker crisis. The five biggest shipping companies reveal combined trading profits of £118.6m. from revenue of £2.2bn. for the year ended March 31, of which £45m. from £1.1bn. came in the second half.

Trading profits averaged a 6 per cent. fall year-to-year, and a 24 per cent. second-half decline compared with the corresponding months of 1973-74.

Shipping company results are heavily subject to transfers to or from reserves and allowances which may obscure the true trading position, even to the point that some companies (Sanko for one) include ship sales in operating results. The latest figures are notable for the second-half setbacks at NYK, Japan Line and K Line, three companies which previously excelled in the tanker division. It would be in line with Japanese reporting practice for this to be partly precautionary.

Best all-round results came from Mitsui OSK. For the year, revenues were 48 per cent. higher at £484m., trading profits were 65 per cent. higher (not including ship sales) at £26.4m. and earnings rose marginally to £4.4m. second-half performance was in line with these trends. The company is believed to be relatively free of present and future oil tanker entanglements.

NYK had a 53 per cent. hike in revenue to £578m., but operating profits for the year were 21 per cent. lower at £28.5m. In the final six months they dropped 55 per cent. to £10.3m. compared with this period in 1973-74.

Sanko reported a 78 per cent. increase in revenue to £394m., but trading profits were 37 per cent. down at £24.9m. and earnings were 41 per cent. lower at £9.8m.

Japan Line pushed up operating revenue by 45 per cent. to £442m. and trading profits were 29 per cent. higher at £24.2m. However the second-half contributed only a 25 per cent. rise in revenue to £223m. on which profits were 42 per cent. lower than a year ago at £7.1m. The year's earnings came out at £4.2m., of which dividends absorbed £3.1m.

While all companies are believed to have oil tankers on order, delivery of which will adversely affect future profits, K Line is thought by financial commentators to face another related problem to an extreme degree, namely early expiry of existing tanker charters.

K Line had a bad year due to second-half reverses. For the 12 months, revenue was 41 per cent. higher at £347m., operating profits were 3 per cent. down to £14.6m. and earnings were more or less unchanged at £2.9m. Some analysts expect operations to result in a trading loss in the current 12 months.

Australian funds performance

BY MICHAEL SOUTHERN

SYDNEY, May 14.

A MEASURE of the performance of superannuation funds in Australia, begun in 1973 by the actuaries Campbell and Cook, shows that in the 18 months to December last the annual yield of 25 life office funds was minus 11.8 per cent.

The non-life office funds (69 were measured) showed a yield of minus 12.05 per cent. In both cases, the performance of the funds was aided by the stock-market rally of the last quarter of 1974. Ignoring that rise, the statistics indicate that the life office fund's average yield to September 30 last year was minus 18.06 per cent., and the non-life funds minus 19.25 per cent.

This performance (or lack of it) has been one that has brought both superannuation funds in general, and their managers in particular, under much closer scrutiny in Australia. There are now wide areas of industry as well as individuals questioning the value of remaining in, or operating, super funds—indeed at least one firm of accountants has been advising clients against continuing with them.

But, with the hectic bull days of the boom over, and the stock market currently dwindling (and yesterday it remained, in Sydney at a level of 349.17 for all ordinaries, indicating that the 350 resistance level is broken) trustees of superannuation funds are taking a close interest in the performance of managers. According to Campbell and Cook, trustees took little real interest in the activities of fund managers while they were showing good returns.

The reason for the slightly better performance of the life office funds is their interest in property and particularly income generating property where values have at worst held static while the stock market has been declining. For most of the non-life funds managers, property is an area to be avoided, and they are still looking to the securities market for returns.

The bad performance of the funds generally has led to a situation in which there are very few privately managed superannuation funds operating. Only those funds that were very rich at the start or have had substantial injections of cash from employers are currently in a funded state.

Hong Kong Land liquidity

HONG KONG, May 14.

HONG KONG LAND CO. says that it can meet its cash requirements for the next few years from existing sources.

Retiring chairman Henry Keswick says in his annual report that two fund-raising operations in 1974 and early 1975 have covered requirements for all projects to which the group is firmly committed.

The company last year issued a further $25m. (U.S.) of 7¾ per cent. guaranteed debentures due 1988. Earlier this year it arranged a U.S. $40m. syndicated loan.

Rental income is not expected to be affected by the economic downturn, even if it continues throughout 1975.

Reuter

Other News

Bancaire share issues plan

● Cie Bancaire plans to resume making free share issues when the financial situation permits while maintaining its policy of paying a dividend per share of around 8 per cent. net.

No date can be set for a forthcoming free share issue but the company prefers to increase shareholders remuneration in this way.

Dividend for 1974 was Frs.8, plus Frs.4 tax credit per Frs.100 share, unchanged on the previous five years.

The company expects sizeable 1975 profits due to high interest rates and the main problem will be to find sufficient clients wishing to borrow funds.

● Jacques Borel International said its shares will be introduced on to the Beirut Bourse on June 10, in the first instance involving 15,000 shares or 1.5 per cent. of the company's capital, a proportion which may be doubled later.

● Schlumberger, through a wholly-owned subsidiary, will promptly make an offer to purchase any and all Sangamo Electric common shares at a price of $23 net per share. Security dealers fees to be paid by Schlumberger would be 40 cents per share. The offer will be made only pursuant to definitive offering papers filed with the Securities and Exchange Commission.

The directors of Sangamo have advised Schlumberger that they will tender shares controlled by them pursuant to the offer directly to the depositary. Shares so controlled amount to approximately 24 per cent. of the outstanding stock of Sangamo.

● IOL Petroleum announces that confirmation was received yesterday from the Supreme Court of Victoria to a petition from IOL Petroleum for a reduction in capital from $A4,550,000 to $A2,275,000 which was approved by shareholders at an EGM on April 23.

The Court Order was lodged with the Commissioner for Corporate Affairs of Victoria on May 13, 1975 and a Certificate of Lodgement was issued by the said Commissioner on that date, thereby making the capital reduction effective as from May 13, 1975.

Shareholders will be advised shortly of books closing date for assessing their holdings on the reduced basis.

● Nationale Investerings Bank said its Fls. 60m. 8½ per cent. 10 year loan at par closed over-subscribed.

● Federale Mynbou net assets stood at 982 cents a share at April 30, after taking into acount the 30 for 100 rights issue and falling stock prices, compared with 1,272 at end-1974 and 936 at end-1973.

The book value of listed and unlisted investments rose to R140.2m. in 1974 (R71.4m.). Market value was R338.6m (R207.7m.).

Taxed profit for 1974 was R9.7m. (R6.3m.), giving earnings per share of 88.2 cents (57.0). Dividends totalled 24.5 cents (17.5).

● Arbed has taken over more than 90 per cent. of the DM6m. capital of Karcher Schraubenwerke. It bought the 50 per cent. holding of Stumm group, which recently went into liquidation, and also bought most of the Karcher family holding.

Karcher, which manufactures screws for the motor, machine tool and rolling stock industries had sales of DM94m. in 1974. Annual production is 24,000 tonnes of which just under 40 per cent. are exported. This purchase makes Arbed one of the largest screw manufacturers in Europe, industry sources said.

● Slater Walker Overseas Investments (SWOIL) has changed its name to Hutchison Financial. Hutchison International acquired a majority stake in SWOIL last November and later bid for the outstanding 43.8 per cent. interest.

● Ito-Yokado plans to offer 4.8m. new shares for public subscription to help finance opening new stores. The offer price is to be determined later but the payment date is June 30. The company said it also is considering distributing a 10 per cent. free issue at end-August and a 20 per cent. free issue at end-February, 1976.

● Union Acceptances has raised R7m. for the sugar-based conglomerate, Tongaat group. The fund raising was by way of a private placing of R7m. unsecured debentures (1987/1996) of R1 each at par, bearing interest at 13 per cent. The debentures have the right to security under certain circumstances. Proceeds of the placing will initially be to reduce Tongaat's short-term borrowings and those of its subsidiaries. Thereafter, the funds will be used to meet general financial requirements and provide for expansion within the group.

Application will be made for a listing of the debentures on the *Johannesburg Stock Exchange* once they are all fully paid and rank pari passu.

ECSC Eurofranc loan

PARIS, May 14.

THE EUROPEAN Coal and Steel Community is planning to make a Eurobond issue in French francs next week, following the success of the recent Credit Foncier de France issue, market sources said.

The latter's Frs.125m., 10.25 per cent., seven-year issue was quoted at 100.5 to 101.5 per cent. on the secondary market to-day after being priced at par yesterday, an official of lead manager Credit Lyonnais said.

The loan, raised from Frs.100m. planned earlier, met substantial demand from Arab investors, market sources said. Demand for French franc issues from oil producing nations reflects the strong demand for the franc on foreign exchanges, as well as the relatively high interest rates offered, they said.

Reuter.

Skaanska Cement gains

BY WILLIAM DULLFORCE

STOCKHOLM, May 14.

SKAANSKA CEMENTGJUTERIET, the Swedish cement and construction concern, announces a 26 per cent. increase in pre-tax profit to Kr.171m. (£18m.) in its final report for 1974, despite a 4 per cent. decline in Swedish building investments during the year. The concern's turnover rose by 20 per cent. to Kr.4.6bn. (£485m.), corresponding to a 6 per cent. increase after adjustment for price index fluctuations.

The parent company declares a net profit of Kr.35m. compared with Kr.23m. in 1973 and recommends a rise of Kr.1 in the dividend to Kr.9 per share. It also proposes to raise the share capital to Kr.88m. by a one-for-three bonus issue.

Orders in hand at the end of the year were valued at Kr.3.2bn. (£337m.), an increase of 11 per cent. from the position a year earlier, and the inflow of new orders during the first quarter has been satisfactory. The Board forecasts another good trading profit for 1975 with some decline in company liquidity but also warns of a possible setback to employment in the second half of the year.

Skaanska Cement won several major foreign building contracts last year, including participation in an international irrigation project in Southern Peru, a nuclear power plant in Finland and a dry dock at Gdynia, Poland, but the increase in foreign operations can only partly compensate for a domestic downturn.

HAL omits dividend again

By Michael Van Os

AMSTERDAM, May 14.

HOLLAND AMERICA Line (HAL) said that in line with a forecast made in January, its net profit amounted to Fls.31m. in 1974. This compares with a loss of Fls.34.7m. in the previous year which was exclusively due to the serious setbacks in cruises.

In a statement published in Rotterdam, the company points out, however, that the profit last year is solely the result of the sale of its transport division to the Swedish Broström group. The profit from the Broström sale—which excluded HAL's cruising and heavy transport activities—amounted to Fls.35.2m., while a book profit of Fls.11.6m. had been made on the sale of fixed assets (ships).

Excluding the special profits, therefore, Holland America Line suffered a loss of Fls.15.8m. last year. In view of the special character of last year's profit, the loss on actual HAL business last year and the heavy losses incurred in 1973, the company is again proposing to pass its dividend. The last pay-out was made in 1972 and amounted to 9 per cent.

Brown Boveri earnings up

By John Wicks

ZURICH, May 14.

THE SWISS engineering concern BBC AG Brown, Boveri and CIE, reports gross profits for the calendar year 1974 of Sw.Frs.156.6m., as compared with a figure of Sw.Frs.93.6m. for the previous nine-month accounting period, prior to the introduction of the calendar year as company financial year. Net profit after tax was higher at Sw.Frs.34.3m. (April-December, 1973: Sw.Frs. 23.5m.).

At its June 12 annual general meeting the company is to propose unchanged dividend levels of Sw.Frs.50 per bearer share and Sw.Frs.10 on registered shares and participation certificates. Sums of Sw.Frs.1.6m. (1.1m.) will be allocated to general reserves and Sw.Frs.1m. (0.75m.) to staff welfare services.

Indonesia government's loan

The Bank of Tokyo wishes to point out that the syndicated loan of between $100m. and $200m., which a group of Japanese exchange banks is to supply to Indonesia is being arranged through the Bank of Indonesia for, and on behalf of, the Government of the Republic of Indonesia.

The Reuter report carried on this page yesterday said that the loan was being raised for the State-owned Indonesian oil corporation, Pertamina. But Bank of Tokyo officials say they have no knowledge of how the loan is to be used by the Indonesian Government.

Pertamina itself is not in the market raising money—its financial operations have been taken over by the Government and according to a Pertamina spokesman, a special audit body has been established to supervise and intensify control of its financial operations. According to Indonesian Press report Pertamina's overseas debts on March 29 amounted to some $1.5bn.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

	Bid	Offer
Amax 8½pc 1986	98	99
Ashland 8pc 1987	92	93
Austrawiss 8pc 1987	91	92
BFCE 9pc 1988	97½	98½
Borregaard 8½pc 1989	95	96
Carrier 7pc 1987	90½	91½
Conoco 8pc 1985	95½	96½
Consol Foods 7¾pc 1991	84	85
Cutler Hammer 8pc 1987	91½	92½
EIB 8½pc 1985	100½	101½
Esso 8pc 1986 Nov.	96	97
General Cable 8½pc 1987	87½	88½
General Motors 8½pc 1986	101	102
GTE 8½pc 1986	96½	97½
ICI 7½pc 1982	77	79
Nat. Grindlays 7½pc 1987	78	80
Pacific Light 8pc 1988	91½	92½
Prov. of Quebec 7½pc 1988	87½	88½
Quebec Hydro 8½pc 1989	96½	97½
Queensland 8½pc 1987	89	90
Scanraff 8½pc 1988	94	95
Shell 8pc 1986	94½	95½
Standard Oil (Inc.) 8½pc '88	99	100
Tenneco 7½pc 1987	83½	84½
Transocean 8pc 1986	95½	96½
TRW 7½pc 1988	94	95
Utah 8pc 1987	91	92
Volvo 8½pc 1985	98½	99½
NOTES		
Air France 9½pc 1982	101½	102½
Australia Ind Dev 10½pc '81	103½	104½
Barclays 7¾pc 1978	99	100
CIE Natl Du Rhone 10pc '82	103½	104½
Du Pont 7¾pc 1978	99½	100½
Esso 7½pc 1978	100	101
General Motors 8½pc 1978	101	102
Marubeni 9pc 1982	101	102
Nippon Fudosan 10½pc 1981	103½	104½
Skandinaviska Ensk. 10½ '81	103½	104½
Tenneco 7¾pc 1979	96½	97½
Tokyo Curacao 10pc 1981	103½	104½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4½pc '87	82	84
Ashland 5pc 1988	74½	76
Beatrice Foods 4½pc 1988	85	87
Beatrice Foods 4½pc 1992	98	100
Borden 5pc 1992	90	92
Broadway Hale 4½pc 1987	70	72
Canon Camera 7½pc 1989	95½	96
Carnation 4pc 1987	91	93
Chevron 5pc 1988	91	92
Dart 4½pc 1987	85	87
Eastman Kodak 4½pc 1988	120	122
Economic Labs. 4½pc 1987	91	93
Eidai 7½pc 1989	104	106
Ford 6pc 1988	81	83
Ford 5pc 1988	75	77
Fuji 6½pc 1985	113	[illegible]
General Electric 4½pc 1987	82	84
Gillette 4½pc 1987	78	82
Gould 5pc 1987	79	81
Halliburton 4½pc 1987	120	122
Harris 5pc 1992	63	65
Hitachi 6½pc 1984	108	112
Honeywell 6pc 1986	75	77
ITT 4½pc 1987	69	71
Komatsu 6½pc 1984	183	185
J. Ray McDermott 4½pc '87	123	125
Mitsui 7½pc 1989	136	[illegible]
J. P. Morgan 4½pc 1987	135	137
Motorola 4½pc 1989	131	[illegible]
Owens Illinois 4½pc 1987	87	89
J. C. Penney 4½pc 1987	89	91
Pioneer 6½pc 1988	116½	118½
Rand Selection 6½pc 1988	184	[illegible]
Rank 4½pc 1993	42	44
Revlon 4½pc 1987	103	105
Sperry Rand 4½pc 1987	97	99
Squibb 4½pc 1987	86	88
Toshiba 6½pc 1985	123	[illegible]
Union Carbide 4½pc 1982	112	114
Warner Lambert 4½pc 1987	95	97
Warner Lambert 4½pc 1988	93	95
Xerox 5pc 1988	78	80

Source: Kidder, Peabody Securities

FARMING AND RAW MATERIALS

New USSR softwood offer to U.K.

By A Correspondent

EXPORTLES, THE Soviet state selling organisation, has made its second offer of softwood to the U.K. market at prices which are unchanged from the first offer made in early March.

The quantity offered is 200,000 cubic metres and an unusual feature is that it has an open-ended time scale—the Russian Wood Agency will send out counter offers against applications received from May 21, but will continue to consider applications after this date.

It is believed that the Russians sold about 500,000 cu.m. on their first approach to this market, but it failed to supply a basis on which the general market could open, with the trade continuing to be apprehensive that the Soviet sellers might reduce prices in their second schedule.

The relatively small amount of wood now offered is seen as a gesture that the Russians have no desire to lead a downward rush in softwood prices. With this intention now demonstrated, the other major suppliers to this market will be hoping that importers will be in a more receptive mood.

EEC sheep meat plan to be ready by August

BY REGINALD DALE

STRASBOURG, May 14.

THE BRUSSELS Commission will produce proposals for a common EEC sheep meat policy before the Community's August summer holidays, Mr. Pierre Lardinois, Commissioner for Agriculture, announced in the European Parliament here to-day. His statement was in response to strong pressure from Irish MPs, who are deeply concerned at the difficulty of exporting mutton and lamb from Ireland to France.

The announcement will not necessarily be welcomed by the U.K. Government, which has expressed fears that a common policy may be more protective than present British arrangements—particularly as the U.K. still imports more than 40 per cent. of its requirements from New Zealand.

Mr. Fred Peart, the Minister of Agriculture, has said that he sees no need for a sheep meat policy in the foreseeable future. If a common policy were to be adopted, it would have to take account of the interests of British sheep producers, consumers and suppliers in New Zealand.

Mr. Lardinois to-day said the Commission would start work on a market regulation as soon as it was known whether the U.K.—the Community's largest sheep meat producer—intended to stay in the EEC. He agreed that the Common Agricultural Policy would not be complete without such a regulation.

The Irish MPs to-day strongly protested at the continuation of the French national arrangements which allow France to close its frontiers to imports from other Community countries when domestic prices fall. The French market had been closed four times in the last 12 months, they said. In Britain the opening of the French market often results in higher U.K. prices for mutton and lamb, as supplies are diverted across the Channel.

In London, meanwhile, poultry and egg producers again pressed for action by the EEC Commission and the U.K. Government to end the egg industry crisis and prevent a similar situation occurring in the British broiler market, writes Peter Bullen.

At the annual meeting of the British Poultry Federation, its chairman, Lord Edward Fitzroy, called for a temporary suspension of French egg imports. "Our problems have arisen from reckless over-production in France, and French Government subsidies to the French egg industry," he said. "We understand the problems of our Government, both legally and politically, in imposing such a temporary suspension, but there is no other solution."

There was also a potential crisis brewing over EEC broiler exports, he warned. The combined effect of various compensatory payments by the EEC could lead to substantial imports of broilers from other Community countries ruining the U.K. industry's efforts to bring supply and demand into line by cutting back production.

Lord Fitzroy urged the Government to suspend the accession monetary compensation payments and called for restoration of EEC export subsidies to channel surplus broilers out of the Common Market.

Government and EEC farm fund money should also be made available to help the U.K. industry to bring processing plants up to EEC standards, he said.

In the long-term the British Federation is trying to encourage the setting up of an EEC Poultry Federation to negotiate with the EEC Commission and to sort out supply and demand problems.

Cambodia news lifts metals

By Our Commodities Staff

REPORTS THAT U.S. forces had sunk two Cambodian gunboats sparked off a late rise in copper and tin prices on the London market last night. Both metals gained about £10 a tonne in inter-office dealings following the reports, but then eased back.

Cash tin was virtually unchanged at the official close with three months metal quoted £2 higher on the day at £3.029 a tonne. The Cambodian news quickly pushed the three months position up to £3.040 a tonne before it slipped back to £3.035.

The pattern was similar in copper. At the close, cash wirebars were quoted at £551 a tonne, up £5.25, and three months at £569.5, up £5.5. In unofficial dealings after the announcement the three months quotation climbed to £575 a tonne and then slipped to £571.

Good support buying was seen for lead and zinc. Cash lead gained £5 to £194.5 a tonne at the close and the premium over three months lead widened to nearly £10 a tonne. It was announced that St. Joe Minerals had cut its lead price to 22.75 cents a pound in line with the recent ASARCO move. Cash zinc ended the day at £320.25 a tonne, up £0.75. Neither lead nor zinc were much affected by the gunboat news.

WORLD MEAT MARKET

Prices unlikely to improve—UN

FINANCIAL TIMES REPORTER

ROME, May 14.

WORLD MEAT production has begun to fall this year after rising by almost 4 per cent. in 1974, but the short-term outlook for international trade remains discouraging, the UN Food and Agriculture Organisation (FAO) has reported.

The western European and U.S. import markets will continue to be adversely affected by heavy domestic beef supplies and unusually large amounts available for export in traditional exporting countries such as Argentina, Uruguay, Australia and New Zealand, FAO predicted.

"Consequently, international prices are unlikely to improve greatly over the depressed 1974 levels," Mr. Lajos Borsody, an economist in the FAO commodities and trade division, told the seventh session of the working group on integrated meat development of the FAO/industry co-operative programme here last week. The aim of the group is to co-operate with FAO's international meat development scheme to improve all aspects of meat production in the poor countries.

Oil prices

"The large supplies of beef came to the market at a time when consumer demand was weakened by the slow-down in economic activity in the main consuming countries and high rates of inflation," the report stated. "Import demand also fell owing to balance of payments difficulties in many countries in the aftermath of large increases in the price of imported crude oil and oil based products. The larger quantities could not be absorbed at current retail prices."

Consumption is rising in north America and the major exporting countries where retail beef prices recently have fallen substantially. In other countries, notably in western Europe, retail prices were kept high, partly through restrictions on imports, and large stocks have accumulated.

In the EEC, government purchases of meat to bolster producer prices totalled 575,000 tons by the end of February, equivalent to slightly less than 10 per cent. of the Community's 1974 beef production. Part of the stocks were sold to third countries or disposed of through various domestic social programmes, but the balance of stocks of frozen or canned beef still totalled more than 300,000 tons.

While the trade decline was sharpest for beef and veal, it also dropped significantly for mutton and lamb. The major factor, the report said, was the suspension of beef and veal imports by the EEC for varying periods since February 1974, and continuously since July. Later the ban was extended to live cattle and certain canned beef products.

EEC exports

Owing to these measures and the marked increase in EEC exports, the Community's net trade balance in beef and veal changed suddenly from a deficit of about 500,000 head, but this compared with well over 2m. head imported in 1973.

Similar import restrictions were applied in a number of other western European countries and Japan, while low market prices discouraged imports in north America. Net imports of the main market economy importing countries fell from 1.8m. tons in 1973 to 800,000 tons in 1974.

In value terms, this probably amounted to a reduction of about $1bn. in export earnings of traditional beef suppliers. The loss in export earnings for Argentina, Australia and New Zealand alone was estimated at roughly $550m.

U.S. maize quality challenged

MILAN, May 14.

LEADING ITALIAN grain traders are meeting here after inconclusive talks last week to establish joint strategy against the below-standard quality of recent U.S. maize shipments, according to a Ravenna-based trader.

A spokesman for Miserocchi E. C. SPA said U.S. maize arrived in Italy with a high percentage of broken, stained, and even mildewed grains, and Italian industry was refusing it because it was unsuitable for the preparation of average quality feed for animals.

Italian grain traders were being invited to adopt a joint stance to "beat unsatisfactory American behaviour," the spokesman said.

Reuter

'Realistic' commodity pacts plea

BY OUR OWN CORRESPONDENT

PORT OF SPAIN, May 14.

AN URGENT call for more "realistic" commodity agreements to help less developed countries was made by Mr. George Chambers, Trinidad and Tobago's Minister of Finance, at the 16th session of the Economic Commission for Latin America—just ended in Port of Spain.

Painting a dismal picture of the state of commodity arrangements—"the Sugar Agreement is dead, the Cocoa Agreement stillborn, and the International Coffee Agreement has reached the stage of extreme unction"—Mr. Chambers urged the developed countries to show their sincerity for the cause of the developing world and the new economic order by "exhibiting a greater measure of understanding of the importance of realistic commodity arrangements and agree to pay remunerative prices." Almost no international commodity agreement was actively in force at present.

Mr. Chambers, speaking on behalf of Trinidad and Tobago, the host for the session, said his Government supported producer associations such as the International Bauxite Association.

He believed such producer associations would be in a position to "mobilise adequate skills and enable the developing countries to negotiate and take other necessary action to ensure just and fair agreements were arrived at."

Mr. Chambers also called for the introduction of a realistic indexation system for commodity prices, but said indexation without access to guaranteed markets was inadequate.

It was more difficult to obtain sustained increases in productivity in agriculture than in manufacturing and any system of indexation which simply linked to changes in prices of primary commodities to the prices of industrial goods would only "increase the gap between rural incomes in developing countries and incomes in the developed countries." This would produce results "completely contrary to the declared objectives of commodity agreements."

Fall in Mexico cotton crop forecast

MEXICO CITY, May 14.

THE MEXICAN cotton crop will decline by about 40 per cent. this year following the collapse of the export market last year, the Agriculture Ministry said today, reports Reuter.

It estimated that half the lands previously planted to cotton had been devoted to other crops and that production would fall to 1.2m. bales, from about 2m. last year.

The Government was forced to buy and stockpile several hundred thousand bales last year when the Japanese, traditionally the most important buyers, pulled out of the market.

HIDES SALES

Hide auctions in London and Glasgow went ahead yesterday, despite the confusion over the VAT rate applying to hides and skins following the last Budget. Under this year's Finance Bill, hides and skins appear to attract a 25 per cent. VAT rate, against the previous 8 per cent.

'Export or die' call on agrochemicals

BY RAY DAFTER

THE U.K. agrochemicals industry must export or die. That was the message given last night by Mr. Tom Waring, chairman of the British Agrochemicals Association.

"The U.K. market alone cannot keep us alive," he told members at the annual dinner in London. For this reason the Association was firmly behind the campaign to keep Britain in the Common Market. Much of the industry's trade was with Western Europe, which was now second only to the U.S. as the world's largest consumer of crop protection chemicals.

It was essential for companies to have an international outlook in view of increasing cost and time needed for product development. The cost of producing a new crop protection product was now about £3m.; development and testing was likely to consume seven years of the product's 16 years patent life in Britain.

Last year exports increased by 73 per cent., to £65.5m., while sales to U.K. farmers rose by 40 per cent., to £56.4m. This performance was achieved in the face of considerable trading difficulties: the energy crisis, shortages of materials and a market in which, towards the end of the year, agriculture was suffering from inflation, shortage of working capital, cash flow problems and threats to solvency.

On the other hand, these difficulties pointed to the savings that could be achieved by a comparatively small input of agrochemicals, said Mr. Waring.

Sir Henry Plumb, National Farmers' Union president, underlined one big difference between agriculture and other industries at present—morale.

"Whether it is fully justified or not, there is no doubt that in large sections of manufacturing industry, doubt is already turning into desperation and despair," he said. "Industrialists in the private sector have some grounds for complaining that their sponsoring Ministry appears bent on policies which, if pursued, would inevitably result in the expansion of State-controlled ownership at the expense of private enterprise.

"Farmers, who are certainly not without their problems, nevertheless have some cause to be grateful that their Ministry now appears to acknowledge the industry's importance to the economy. It is committed, even if in general terms, to a policy of growth by supporting and assisting private enterprise," he added, referring to the Government's recent White Paper on agricultural expansion.

"Provided actions follow the words, agriculture might now be considered as having better growth prospects than almost any other British industry," Sir Henry said.

Futures trading guides

WASHINGTON, May 14.

THE COMMODITY Futures Trading Commission (CFTC) has issued two guidelines for the drawing up of futures contracts, one dealing with the new economic purpose test and the other with rules enforcement programmes.

CFTC chairman, Mr. William Bagley said the guidelines were being issued to help commodity futures markets to comply with new or revised requirements for permanent contract market designations by the legal deadline of July 18.

The CFTC would set a deadline of at least one month before July 18 for responses to its guidelines from the various markets and any other interested parties.

The Commission intended to exercise its authority to make sure that specific contracts, and the rules and regulations under which they are traded on the futures market met actual market place conditions for the respective commodities.

AUSTRALIAN WOOL EXPORTS

MELBOURNE, May 14

Australia exported 311m. kilos of raw wool in July/February 1974-75, against 357.9m. kilos in the previous corresponding period, according to the Australian Wool Corporation.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—A sharp upward movement in after-hours trading took forward metal up to £575 on the London Metal Exchange. This followed reports that the U.S. Air Force had sunk Cambodian gunboats which prompted speculative buying and short-covering. The price subsequently settled at around the £571.5 level. Earlier, forward metal had fallen to £566 owing to the initial recovery of sterling coupled with trade selling. Turnover 10,625 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	549.5-50	+5.5	550.5-1.5	+5.25
3 months	568.5	+5.75	569-70	+5.5
Settlem't	550	+5.5	—	......
Cathodes				
Cash	538.5-9	+5.25	540-1	+4.25
3 months	557.5	+5.25	559-60	+5
Settlem't	539	+6	—	......
U.S. Smt.	—	......	*63.70	......

Amalgamated Metal Group reported that in the morning, cash wirebars traded at £552, 52.5 to 49.5; three months £570, 69 to 72, 69, 68. Cathodes: Cash £539; three months £557. Kerb: Wirebars: Cash £548; three months £568, 66, 67, 68.5, 68. Afternoon: Wirebars: Cash £550, 50.5; three months £568, 69, 69.5, 68.5, 68, 68.5, 69, 69.5. Cathodes: Cash £540.5. Kerb: Wirebars: Three months £585.5, 69, 70.

TIN—Edged higher. Like copper, prices were especially firm in late dealings with forward metal trading up to £3,040 before ending at £3,035. Earlier, the price had been maintained by modest physical demand and the continued steadiness in Penang where it was thought that the buffer stock had supported the market. Turnover 435 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	2982-4	+7.5	2986-8	+1
3 months	3027-8	+8	3028-30	+2
S'ment	2984	+8	—	......
Standard				
Cash	2982-4	+7.5	2986-8	+1
3 months	3027-8	+8	3028-30	+2
S'ment	2984	+8	—	......
Straits E.	:$935	......	—	......
New York	—	......	—	......

Morning: Standard, cash £2,980, 75, 80, 82; three months £3,022, 25, 27. High Grade untraded. Kerb: Standard untraded. High Grade untraded. Afternoon: Standard cash £2,985, 88; mid-May £2,985; mid-June £3,008, £3,012; three months £3,028, £3,030. High Grade untraded. Kerb: Standard, three months £3,025. High Grade untraded.

LEAD—Gained ground owing to renewed demand for cash metal which was again thought to have been on producer account. The U.S.-Cambodian news had little market impact as did St. Joe Minerals' cutting its price to 22.75-cents per pound in line with the recent Asarco reduction. Turnover 5,825 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	192-4	+3	194-5	+5
3 months	182.75-3	+.5	183-.5	+.875
S'ment	194	+3.75	......	......
N.Y. Spot	—	......	*24.50	......

Morning: Three months £183.5, 83, 83.5, 84, 82.5, 82.75. Kerb: Cash £193; three months £182.75, 83. Afternoon: Cash £194, 195; mid-May £194, 194.5; late-May £191; three months £183, 83.50.

ZINC — Quietly firmer following renewed support buying of cash metal. As with lead, the U.S.-Cambodian news had little market impact. Turnover 2,850 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	320.5-1	+1	320-.5	+.75
3 months	311-.5	+1	312.5	+1.75
S'ment	321	+1	......	......
Prm. West	—	......	*38.40	......

Morning: Cash £320.5, 21; three months £311. Kerb: Cash £321. Afternoon: Cash £320; three months £311.5, 12. Kerb: Three months £313.

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

SILVER

[illegible]

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	201p	+4.0	201.2[illegible]	+2.45
3 months	207p	+4.4	207.25	+2.86
6 months	212.7p	[illegible]	......	......
12 months	226.4p	[illegible]	[illegible]	+3.6

LME—Turnover 223 (183) lots of 10,000 ozs. [illegible]

FREIGHTS

OIL TANKERS—Quiet again. Chinese [illegible] for May. Coal shippers arranged a cargo from Hampton Roads to Japan at $5.85 free discharge for June, while petroleum coke from Port Arthur to Rotterdam/Ghent paid $5.50 f.i.o. for prompt loading. Ore charterers were reported to have arranged a contract to ship 1½m. long tons of ore from Tubarao to Weser at $5.25 f.i.o. over three years commencing 1976.

COCOA

Values held steady during the day in generally quiet conditions, closing at the highs of the day, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No4Contract			
May	465.0-70.0	+14.5	470.0-57.0
July	475.0-6.0	+11.5	478.0-64.0
September	481.0-1.5	+11.5	484.0-67.0
December	501.0-2.0	+7.75	503-493
March	506.0-7.0	+5.25	512.0-02.0
May	510.0-11.0	+4.5	512.0-03.0
July	511.5-12.0	+1.25	513.0-09.0

Sales: 2,778 (3,565) lots of 10 tonnes.

International Cocoa Agreement prices: Daily 46.95 (47.03) U.S. cents per pound: indicator 15-day average 48.53 (49.24); 22-day average 50.80 (51.32).

COFFEE

Robusta futures closed firm in line with an advance in New York following news of the sinking of two Cambodian gunboats by U.S. forces in the Gulf of Thailand. Earlier the market was fully steady on dealer buying and covering. Arabicas closed fully steady on the same factors.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	417.0-20.0	+10.0	412.0-05.0
July	418.5-19.0	+8.0	418.5-16.0
September	414.5-15.0	+6.0	415.0-05.0
November	415.0-15.5	+7.0	416.5-05.0
January	417.0-17.5	+5.5	417.0-10.0
March	421.0-24.0	+7.25	412.0
May	422.0-24.0	+5.5	—

Sales: 707 (981) lots of 5 tonnes.

Latest published ICO indicator prices. U.S. cents a pound. Columbian Mild Arabicas 64.75 (64.50). Other Mild Arabicas 49.00 (50.50). Unwashed Arabicas Santos Fours 74.50 (same). Robustas 47.19 (47.62). Daily average 50.92 (50.94).

ARABICA CONTRACT (in order buyer, seller, sales)—June 57.50-58.00, 1; August 59.40-59.50, 9; Oct. 59.60-59.70, 31; Dec. 60.10-60.30, 26; Feb. 60.20-61.00, 1; April 60.70-61.00, nil; June 60.95-62.30, nil. Sales 68.

RUBBER

EASIER opening on the London physical market. Little interest throughout day, closing quiet. Lewis and Peat reported a godown price of 118 Malaysian cents a kilo (buyer, June).

No. R.S.S.	Yesterday's close	Previous day's close	Business done
June	27.20-27.70	27.30-27.70	—
July	27.50-28.10	27.70-28.3	—
Jly-Sep	28.10-28.40	28.20-28.3	28.20
Oct-Dec	29.50-29.65	29.55-29.60	29.60-29.45
Jan-Mar	30.65-30.70	30.65-30.70	30.70-30.60
Apr-Jun	31.80-31.85	31.85-31.90	31.85-31.75
Jly-Sept	32.35-32.45	32.40-32.45	32.45
Oct-Dec	32.95-33.05	32.95-33.00	33.00
Jan-Mar	33.50-33.60	33.50-33.80	33.50

Sales: 109 (189) lots of 15 tonnes.

Physical closing prices (buyers) were: Spot 26.5p (same); June 25.85p (25.9p); July 26.3p (26.4p).

GRAINS

THE BALTIC — Imported grains generally ruled quiet at around previous selling levels. Optional maize met a limited offtake for May and June transhipment to East and West coast U.K. ports.

Wheat—U.S. Dark Northern Spring No. 2, 14 per cent. June £81.30, July £80.35, August £80.75 transhipment East Coast, June £78.00 direct Tilbury. U.S. Hard Winter No. 2 13½ per cent. July £83.80, August £63.80 direct Tilbury.

Maize—No. 3 Yellow American French May £71, June £58; July £52.75 transhipment East Coast. South African White Dent May/June £57.75 Glasgow. South African Yellow Flint May/June £58.50 Glasgow.

Barley—EEC Feed May £49.75, June £50.75 East Coast. Rest unquoted.

EEC DAILY IMPORT LEVIES and premiums effective May 15 (current levels plus June, July and August premiums, previous in brackets). Rates in units of account per tonne: Soft wheat and mixed wheat and rye—47.62, 5.05, 5.05, 7.03 (42.45, 4.61, 4.61, 7.17); Hard wheat—21.62, 2.91, 2.92, 4.02 (19.55, 2.92, 2.92, 4.02); Rye—36.95, rest nil (36.07, rest nil); Barley—49.80, 1.46, 1.46, 2.92 (49.84, 1.46, 1.46, 2.92); Oats—39.48, rest nil (38.75, rest nil); Maize (other than hybrid for seeding)—30.45, rest 1.46 (29.59, rest 1.46); Buckwheat—17.12, rest nil (15.94, rest nil); Millet—All nil (all nil); Grain sorghum—38.37, 0.72, 0.72, 3.61 (35.40, 2.56, 2.36, 4.58). Levies for flours: Wheat or mixed wheat and rye—80.55 (75.71); Rye—99.63 (97.80).

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, slightly easier. Close: May 49.65, Sept. 54.35, Nov. 56.75, Jan. 58.85, March 60.80. Business: May 49.80-49.75, Sept. 54.60-54.40, Nov. 57.10-56.80, Jan. 59.05-59.00, March 61.00-60.90. Barley, slightly easier. Close: May 49.85, Sept. 52.20, Nov. 54.10, Jan. 56.05, March 57.95. Business: May 49.75-49.65, Sept. 52.60-52.35, Nov. 54.55-54.15, Jan. 56.40-56.20, March 57.90 only.

MARK LANE—Price trends held steady in scattered dealings. Hagberg milling wheat traded to London area at up to £58.75 per long ton for June deliveries and at £58.25 for June-July combined, while Liverpool paid £54 for June. May deliveries were taken by South Wales at £52.50 per long ton. Denaturable wheat traded to London at £50.50 for June and £52.50 for July, while Liverpool paid £53 per long ton for June-July deliveries of English feed barley. Average sellers' quotations per long ton for delivery London area: Wheat, milling, May £52, June £53, Oct.-Dec. £61. Denaturable May £50.50. Barley, feed, May £51.50.

HGCA—Location ex-farm spot prices: Soft milling wheat—Banbury £49.05, Chichester £48.88. Feeding barley—Banbury 47.70, Chichester 50.00, Ormskirk 50.35.

SUGAR

LONDON DAILY PRICE—Unchanged at £160 a ton c.i.f. for May-June shipment.

Market opened quietly steady but thereafter became locked in a 200 point range over the day with interest seemingly minimal, C. Czarnikow reports. News broke on the closing call of new developments in Cambodia, which brought a rush of buying and final trades were at the day's highs.

Sugar Pref. Comm. Con	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Aug.	185.50-86.00	184.75-85.00	187.00-82.50
Oct.	182.75-83.75	181.65-81.7	184.00-79.00
Dec.	181.0-82.0	181.5-81.75	183.0-79.00
March	178.5-79.10	179.5-79.25	180.00-76.00
May	177.00-78.00	177.5-78.0	179.00-74.00
Aug.	176.0-77.00	176.00-77.00	176.50-74.00
Oct.	172.00-77.00	176.00-77.00	176.00-74.00

Sales: 2,621 (2,044) lots of 50 tons each.

Tate and Lyles ex-refinery price for granulated basis white sugar was £231.50 (same) a long ton for home trade and £295 (same) a long ton for export.

WOOL FUTURES

LONDON—Market tended easier late in session in quieter conditions, Bache reports.

(Pence per kilo)

Australian Greasy wool	Yesterd'ys close	+ or —	Business Done
May	162.0-68.0	-2.5	—
July	167.0-70.0	-2.25	170.0
October	172.0-72.5	-1.0	174.0-75.0
December	173.0-75.5	-2.25	176.0-72.0
March	177.0-81.0	-0.75	—
May	178.0-84.0	-0.5	—
July	181.0-86.0	-0.5	—
October	184.0-92.5	+1.0	—

Sales: 22 (79) lots of 1,500 kilos.

SYDNEY—Market closed ½ to 3 cents up. The opening was irregular and this trend continued throughout the morning session. Turnover was below average. The market registered a sharp rise in the afternoon and turnover improved.

(Aust. cents per kilo)

Greasy wool	Yesterd'ys Close	+ or —	Business Done
May	265.5-66.0	+8.0	266.5-58.0
July	269.5-70.0	+1.85	270.0-67.0
October	275.5-76.0	+2.5	275.5-72.5
December	278.0-78.5	+1.75	278.0-75.0
March	279.0-79.5	+1.5	279.5-77.0
May	280.2-81.0	+1.2	280.0-78.0
July	281.2-81.5	+0.85	280.5-79.5
October	281.0-81.5	-0.8	281.0-79.5

Sales: 503 (219) lots of 1,500 kilos.

MEAT/VEGETABLES

SMITHFIELD (pence per pound)—Beef: Scottish killed sides 34.0 to 36.5, higher quality sides 37.5; English hindquarters—including heavy 44.0 to 46.0; Ulster hindquarters 45.0 to 46.0, forequarters 25.0 to 27.0; Eire hindquarters 44.0 to 46.0, forequarters 24.5 to 26.0.

Veal: English fats 36.0 to 44.0, higher quality fats 47.0, bests 21.0 to 24.0, mediums 19.0 to 21.0, bobbies 12.0 to 19.0; Scottish bobbies 10.0 to 17.0; Dutch hinds and ends 62.0 to 66.0, higher quality hinds and ends 68.0.

Lamb: English small, new season 40.0 to 46.0, higher quality small new season 47.0, medium new season 40.0 to 44.0, heavy new season 35.0 to 42.0. Imported frozen: NZ D's 29.0 to 29.5, 2's 28.5 to 29.5, 8's 28.0 to 28.0, YLs 27.0 to 28.0.

Hoggets: English 26.0 to 36.0, Scottish 20.0 to 36.0.

Ewes: 12.0 to 15.0.

Pork: English, under 100 lbs 28.0 to 34.5, 100-120 lbs 28.0 to 34.0, 120-160 lbs 28.0 to 33.0, 160-180 lbs 26.0 to 29.0, 180 lbs and over 23.0 to 26.0.

Soyabean Meal—Close: Aug. 68.90-69.10, Oct. 69.90-70.00, Dec. 70.70-70.80, Feb. 72.60-72.70, April 74.00-74.20, June 76.00-76.20, Aug. 77.10-77.20. Business: Aug. 69.5-68.9, Oct. 69.9-70.0, Dec. 70.5-70.5, Feb. 72.3-72.7, April 73.9, June 75.8-76.0, Aug. 77.1-72.2. Turnover, 58 (67) lots of 100 tonnes.

MEAT COMMISSION—Average fatstock prices at representative markets on May 14. U.K.—Cattle £22.74 per live cwt (+0.27); Sheep 42.4p per pound edcw (+1.8); Pigs £4.52 per score d.w. (−0.04). England and Wales—Cattle numbers up 15.9 per cent.; average price £22.00 (+0.07); Sheep up 17.9 42.3p (−1.0); Pigs up 26.4, £4.52 (+0.04). Scotland—Cattle down 26.7, £22.97 (+1.12); Sheep down 13.0, 35.5p (+1.5). Pigs nil.

COVENT GARDEN—Prices in sterling—Imported produce: Oranges—Jaffa Shamouti/Valencia Lates 3.10-4.20; Californian: 3.30-4.40; Spanish: Valencia Lates/Vernas 2.70-3.60; Cyprus: 3.30-3.60; Moroccan: 48 56 2.60, 75 3.00, 88 3.10, 100 3.00.

English produce: Cauliflowers—per 12 Lincoln 2.00, Kent 2.20. Mushrooms—Per lb 0.25-0.30. Spring Greens—Per bag 0.50-1.00. Onions—Per 56lb 2.20-2.40. Apples—Per 30lb Bramley's 2.50-3.00. Rhubarb—Per lb outdoor 0.04. Leeks—Per 12lb 1.20. Potatoes—Per 56lb white, 1.15, red 1.25. Cucumbers—Per tray, 12 1.20, 14 1.30, 16 1.40, 16 1.40. Carrots—Per 28lb 2.40. Swedes—Per 28lb 0.40-0.50. Tomatoes—Per lb 0.25-0.20. Celery—Per 12 3.00, 15 3.20, 18 3.20. Lettuces—per 12 round 1.00-1.20, cos 1.20.

VEGETABLE OILS

PALM OIL—Close: June £180-£185, August £174-£172, Oct. £175-£170, Dec. £174½-£170, Feb. £175-£168, April £173-£168, long June £171-£168. Closing [illegible] No. of lots [illegible]

JUTE

DUNDEE—Quiet. Prices c. and f. U.K. for May/June shipment: BWB £[illegible], BWC £221, BWD £[illegible], Tossa BTB £[illegible], BTC £223, BTD £[illegible]. Calcutta goods firmer. Quotations c. and f. U.K. for May shipment: 10-oz. 40-inch £[illegible] per 100 yards, June £[illegible], July/September £[illegible]; 7½-oz. [illegible] £22.99, £22.58 and £22.77 for the respective shipment periods. Yarn and cloth very quiet.

LONDON—Quiet. Bangladesh White C grade May-June £224.00, D grade May-June £214.00. Tossa [illegible]

CALCUTTA—Steady. Indian May-June Rs.479, Dundee [illegible] values. A bale [illegible]

LIVERPOOL COTTON—Spot and shipment sales amounted to 35 tonnes, bringing the total for the week so far to 399 tonnes. Although new offers were scarce, inquiry ranged over various American-type styles, Turkish, Russian and South American qualities remained in constant request, F. W. Tattersall reports.

GRIMSBY FISH—Supply fair, demand fair. Prices per stone at ship's side unprocessed: [illegible] £1.50-£1.70, large haddock £[illegible], medium £1.80-£2.20, small [illegible] £3.30, best small plaice £[illegible], £4.00, medium £[illegible], Rockfish £1.10-£1.40, Lemon sole [illegible], Reds 80p-£1.0[illegible]

HIDES—Glasgow. Limited interest. Second clear ox 31-35.5 kilos 21[illegible]p, 26-30.5 kilos 2[illegible], 22.5p. Light cows withdrawn [illegible]. No calf offered.

COPRA—Philippines: May-June $[illegible] resellers per tonne c.i.f. North European ports.

PRICE CHANGES

Prices per ton unless otherwise stated

	May 14 1975	+ or —	Month ago
Metals			
Aluminium	£396	......	£578.6
Free market cif	£270-280	......	£285-295
Copper§			
Cash Wire Bars	£551	+5.25	£556.5
3 month do. do.	£569.5	+5.5	£574.5
Cash Cathode	£540.5	+4.25	£546
3 months do.	£559.5	+5.0	£564
Gold Troy oz.	$167.5	+1.5	$164
Lead Cash	£194.5	+5	£197.625
3 months	£183.25	+.875	£192.375
Nickel	£1,880	......	£1,888.c
Free market cif (lb)	$1.70-1.9	......	$1.75-1.9
Platinum troy oz.	£67-71.5	......	£65½-69½
Free Market	£65½-67	+1.0	£60½-62½
Quicksilver (76lbs)	$128-135	......	$130-140
Silver Troy oz.	201p	+4.0	175.2p
3 months	207p	+4.4	177p
Tin Cash	£2,987	+1.0	£2,892
3 months	£3,029	+2.0	£3,018.5
Wolfram 22.04lb cif	$145-150	......	$140-24
Zinc Cash	£320.25	+0.75	£328.375
3 months	£312.5	+1.75	£326.625
Producers	£360	......	£360
Oils			
Coconut Malayan	......		
Groundnut	......		
[illegible]	£485	......	£406
Linseed Crude	£467	......	
Palm Malayan	£175	......	
Soyabean	......	......	
Seeds			
Copra Philippines	$240	......	$295
Soyabean (U.S.)			
Linseed Can. No. 1	£164.5	+2.5	£168.25
Grains			
Barley EEC	£49.75		£48.75
Home Futures	£49.85	−0.4	£49.15
Maize			
French No.3 Am	£62.0	......	£51
S.A. Yellow Flint	59.5	......	
Wheat			
No. 1 Red Spring			
No. 2 Hard Winter	63.6		
Australian			
English Milling	£52	......	£52.5
Cocoa Shipment	£543	+16.5	£619.0
Futures July	£475.5	+11.5	£574.75
Coffee Shipment			
Futures July	£418.75	+8.0	£411.25
Cotton 'A' Index			
[illegible]	54.5	......	51.7
Jute UA BWC	£224	......	£244
Rubber kilo	26.5p	......	25.75p
Sisal EA3L	$550	......	$550
Sugar	£160	......	£255
Woolltops 64s kilo	193p	......	174p
Cloves, Madagascar	£2,550	......	£2,590
Pepper White ton	£665	......	£825
Black ton	£685	......	£670

* Nominal. † Seller. ‡ Unofficial close. ‡ Indicative price c.i.f. U.K. and Common [illegible] standard [illegible]

INDICES

FINANCIAL TIMES

May 13	May 12	Month ago	Year ago
161.53	161.51	166.00	218.67

(Base: July 1, 1952=100)

REUTER'S

May 14	May 13	Month ago	Year ago
1077.2	1075.4	1095.5	1350.6

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	May 13	May 12	Month ago	Year ago
Spot	278.06	275.29	307.88	339.26
Futures	258.55	257.61	285.25	298.73

(Average 1924-25-26=100)

MOODY'S

	May 13	May 12	Month ago	Year ago
Spie Commodity	732.8	728.6	744.1	709.7

(Dec. 31, 1931=100)

U.S. Markets

Buying lifts silver and copper

NEW YORK, May 13.

BOTH silver and copper rallied on good Commission House buying. Cocoa finished higher on trade support. Sugar advanced in featureless trading. Chicago grains closed higher in the beans and maize on short covering, while wheat declined on heavy commercial selling, Bache reports.

Cocoa—Ghana spot 59½ (59¼). Bahia spot 50½ (52¼). May 51.50 (50.55), July 46.65 (45.65), Sept. 45.67, Dec. 46.75, March 46.90, May 46.95 nom., July 47.15, Sept. nil. Sales: 1,550.

Coffee—Spot Santos No. 4 unquoted (same). Colombian Mams unquoted (same). "C" Contract, May 45.00-46.75 (49.55), July 50.25 (51.16-51.20), Sept. 51.50-51.75, Nov. 52.05 bid, Dec. 52.85-52.95, March 53.50, May 54.00-54.40. Sales: 265.

Copper—May 56.10 (54.60), June 56.20 (54.80), July 56.70, Sept. 57.50 settlements. Sales: 1,413 lots.

Cotton—July 46.40-46.45 (46.62), Oct. 47.65-47.68 (47.82), Dec. 48.25, March 49.18-49.25, May 49.50-49.95, July 50.50-50.70, Oct. 50.75-51.00. Sales: 1,750.

¶Gold (troy ounces)—May 166.00 (165.20), June 166.70 (165.90), July 167.70, Aug. 168.70, Oct. 170.50, Dec. 173.00, Feb. 175.20, April 177.40, June 179.60, Aug. 181.90. Sales: 802.

Greasewool—Spot 177.0 nom. (same). May 128.0-138.0 (128.0), July 135.0 (same), Oct. 135.0-141.0, Dec. 141.0-145.0, March 141.0-148.0, May 142.0-149.0, July 142.0-150.0, Oct. 142.0 bid.

*Lard—Chicago loose 24 asked (24). NY drummed 30 nom. (30).

††Maize—May 282-282½ (278-279), July 277½-277¾ (277½-274), Sept. 269½-264, Dec. 247½-247¾, March 252½, May 255½.

‡Platinum—July 153.90 (152.60), Oct. 157.00 (155.20), Jan. 161.00, April 162.00, July 166.00, Oct. 169.00. Sales: 566.

‡‡Silver—Spot 456.50 (456.00), May 463.00 (456.90), June 464.70 (458.70), July 467.50, Sept. 477.90, Dec. 485.00, Jan. 485.80, March 491.90, May 497.90, July 503.90, Sept. 509.90. Sales: 7,186.

*Soyabeans—May 526-527 (519½), July 513-514 (504½), Aug. 509-509½, Sept. 502-503, Nov. 502-507, Jan. 507-508, March 514, May 520, July 526.

¶Soyabean Meal—May 120.90 (118.00), July 121.20-121.00 (120.20), Aug. 122.10, Sept. 123.10-123.50, Oct. 124.00-124.50, Dec. 126.50, Jan. 128.00, March 130.50-131.50.

Soyabean Oil—May 23.05-23.00 (22.47), July 22.70-22.60 (22.05), Aug. 22.40-22.45, [illegible]

[illegible]

WINNIPEG, May 13. ††Rye—May [illegible] [illegible]

Wheat—SCWRS [illegible] content St. Lawrence [illegible]

[illegible]

COMPANY NOTICES

OMRON TATEISI ELECTRONICS CO.

(Tateisi Denki Kabushiki Kaisha)

Advice has been received from Tokyo that the Thirty Eighth Ordinary General Meeting of the Company will be held at 10 Tsuchidocho, Hanazono, Ukyo-ku, Kyoto on Thursday 29th May, 1975.

Details of Agenda are as follows:—

1. Approval of the statements of the 38th business term (from 1st October, 1974 to 31st March, 1975) [illegible]

[illegible]

JARDINE MATHESON INTERNATIONAL N.V.

a wholly owned subsidiary of Jardine, Matheson and Co., Limited

NOTICE TO THE HOLDERS OF OUTSTANDING WARRANTS TO SUBSCRIBE FOR STOCK UNITS OF JARDINE, MATHESON AND CO., LIMITED ISSUED BY THE BANK OF BERMUDA LIMITED, AS DEPOSITARY, ON 15th NOVEMBER, 1971

NOTICE IS HEREBY GIVEN pursuant to Clause 4(A) of the terms and conditions [illegible]

[illegible]

By Order of the Board

Hong Kong.

12th May, 1975.

COMPANY NEWS

Reasonably encouraging start by S. Pearson

A REASONABLY encouraging start has been made by S. Pearson and Son in 1975 says the chairman, Viscount Cowdray, but he cannot make a reliable forecast for the year as a whole.

Much will depend on the outcome of the referendum on U.K. membership of the European Community. "I strongly believe that it will be in the group's, as well as the general interest, that this country should remain a member of the Community," he declares.

As reported on May 2, group pre-tax profit for 1974 decreased from £25.71m. to £20.43m., after a first half contraction from £13.21m. to £8.58m. The net dividend is 5.09122p against 4.67672p.

A geographical analysis of turnover (in percentages) and pre-tax profit is given in the following table.

	Sales %	Profit £
U.K.	60	9.094.346
America	11	4.155.811
Europe	5	815.112
Africa	4	1.107.611
Asia	4	933.604
Australasia	7	1.052.844
Share associates		3.274.165

Of the turnover 50 per cent. relates to newspapers and publishing and 30 per cent. to industrial and commercial interests. The group's exports of goods during 1974 totalled £39.06m.

The group was severely affected by inflation, but most of the group companies strengthened their positions of leadership in their respective markets, members are told.

During the year some of the accumulated liquid resources were invested in further development. In 1974 and 1975 some £6m. will have been provided towards financing Doulton's considerable capital expenditure programme in its tableware and glass operations.

The financial strength of Lazard Brothers was further evidenced by the completion of sale of 10/11 Old Broad Street, and this assisted the bank to expand its business considerably.

However, in several group companies the cash flow trend was negative and, says Lord Cowdray, this cannot be allowed to continue unchecked.

Consolidated source and application of funds shows an increase in bank loans and overdrafts of £4.80m., and a rise in deposits and bank balances of £1.2m.

The priority task for 1975, therefore, is to control costs still more stringently and increase margins where possible so that borrowings are kept to acceptable levels and more cash is generated for investment and growth.

Efforts are being made to establish new overseas markets where artificial restraints on profitability do not apply, and those trading activities rendered less profitable by inflation are being reviewed and, where necessary, reduced or eliminated.

Although a substantial part of profits is derived from abroad, the group's base is in the U.K., and it cannot prosper here "without Government policies designed to strengthen and encourage the private sector of industry."

Provided also that a worse recession in world trade is averted, this conservatively financed group, with its widespread international interests, and its unique combination of high quality businesses, "can look ahead with confidence to a resumption of soundly based profit growth."

Meeting, Millbank Tower, Millbank, S.W., June 6, noon.

Chairman's statement Page 23

Lazard Bros.

Group net profit of S. Pearson's banking subsidiary, Lazard Brothers and Co., decreased from £2.12m. to £1.79m. in 1974. The figures were struck after tax and minority interests and after making an appropriation to inner reserves, out of which any provisions required in respect of diminution in the value of current assets have been made.

Dividends absorb £1.32m. (£1.11m.), and after a transfer of £0.5m. (£1m.) to general reserve the carry forward is £749,717 (£776,875). A compensation payment of £30,000 was made to a former director.

Total assets expanded from £359.5m. to £416.03m., of which current assets accounted for £357.69m. (£324.99m.). Liability of customers for acceptances totalled £49.91m. (£28.56m.). Current deposit, etc., accounts increased from £305.74m. to £329.65m.

Last February the capital was increased from £10.13m. to £15.19m. by a one-for-two share issue and by capitalisation of £5.06m. from reserve.

Fair start at Pearson Longman

IN HIS annual statement the chairman of Pearson Longman, Lord Gibson, says that taken overall, the group has made a "fair start" in 1975.

The book companies show signs of having another successful year's trading with strongly increased sales in overseas markets already in evidence. The newspapers are finding the going harder — they cannot expect greatly increased revenues until the economy improves, and are assailed on all sides by heavy increases in costs.

"Streamlining of costs in the newspaper industry has become essential if its financial soundness is to be re-established and its independence preserved," the chairman declares.

As reported on May 2, taxable profits fell from £14.65m. to £11.51m. in 1974 on turnover of £92.8m. compared with £76.6m. The dividend is 4.473p against 4.122p net.

Lord Gibson says the year was one of mixed fortune for the group. The book companies produced their highest profit so far, but this improvement was more than offset by the lower earnings of newspapers.

An analysis of profit, without associates, shows:

	1974 £000	1973 £000
Financial Times	1.808	2.973
Westminster Press	3.136	6.018
Longman Penguin	5 478	4.635
Pearson Longman	*216	*532
Total	10.306	13.094

* Loss

Turnover was split as to: Financial Times £17.4m. (£16.01m.), Westminster Press £40.81m. (£32.81m.) and Longman Penguin £34.59m. (£27.78m.).

The 8½ per cent. increase in the turnover of the Financial Times Group was insufficient to meet its higher costs and profits fell. Westminster Press Group turnover increased by £8m., partly as a result of acquisitions—these apart turnover rose by about 11½ per cent. from £32.58m. to £36.42m., but again higher costs reduced profits.

The directors are "much concerned" at the effect which inflation had on all the businesses in 1974. Under the "twin burdens" of price control and heavy tax it has become increasingly difficult to generate sufficient after-tax earnings to finance the large increases in working capital which high inflation rates bring in their train, states the chairman.

Pearson Longman was well-placed at the beginning of the year and there are signs that the rate of increase in paper and newsprint prices is now slackening, he adds.

The group balance-sheet shows a rise in values of stocks and debtors less creditors, from £21m. at the end of 1973 to £27.5m. at the end of 1974. Insofar as about one-third of this increase reflects growth in book publishing turnover overseas, the increase is perhaps acceptable, but to the extent that it merely reflects inflation of costs, it requires companies to generate more cash if they are to maintain, let alone expand and re-equip their businesses, Lord Gibson stresses.

A statement of source and application of funds shows a decrease in deposits, bank balances and cash of £2.71m. and an increase in bank loans and overdrafts of £2.97m.

Pearson Longman is a subsidiary of S. Pearson and Son. Meeting, 10, Cannon Street, E.C., on June 6 at 10.30 a.m.

BIDS AND DEALS

Paterson lifts Cussons bid

Paterson Zochonis and Company, the Manchester-based soaps and general merchanting group which operates largely in West Africa, has raised its offers for Cussons Group, the Imperial Leather soaps concern, to value the company at almost £8.6m., compared with £7.26m. under its original terms.

The Cussons directors—who with the Cussons family control over 50 per cent. of the voting shares—have been contesting the bid as being inadequate and illogical.

PZ, in announcing its new offer, said that to date it had received acceptances in respect of 23.57 per cent. of Cussons voting Ordinary and 52.04 per cent. of the non-voting "A" shares.

The Ordinary rose 8p to 68p on the news, while the "A" shares gained the same amount to 58p. PZ's Ordinary and "A" both gained 20p to 400p.

At the same time, PZ said the Board proposed to recommend an increased final dividend for payment in December in respect of the year ending May 31, 1975, of 5.6p per share, making a total of 7p, equivalent to 10.77p gross against 4.67p gross. If the offers become unconditional, accepting Cussons holders will receive the final PZ dividend.

Terms are one PZ Ordinary, plus 890p cash, for every 16 Cussons Ordinary—worth some 80.6p a share—and one PZ "A" share, plus 747p cash, for every 16 Cussons "A"—worth about 71.7p. Appropriate offers will be made for the partly paid shares issued under the executive incentive scheme.

The increased offers close on May 30. J. Henry Schroder Wagg will post documents as soon as possible.

WBG says bid 'inadequate'

Wright Bindley and Gell has informed Pentos that it considers Pento's cash offer of 60p for each WB and G share "totally inadequate."

The WB and G directors will be writing to shareholders during the next few weeks giving the reasons for thier views, and up-to-date information on WB and G profits, prospects and assets.

In the light of the offer the WB and G directors have obtained Treasury consent to an increase on the Ordinary dividend to 4.5p net per share, compared with 2.6375p per share paid for 1973-74. They advise shareholders to take no action in connection with the offer until they have received their Board's letter.

The Board of WB and G does not for this purpose include Mr. P. M. North, who is also a director of Pentos.

'NO MORE' SAYS CRODA

Shareholders of Midland-Yorkshire Holdings cannot expect any increased offer from Croda International or from anyone else, Mr. F. A. S. Wood, Croda chairman, tells them. The Croda offer has been extended to May 20.

Lonrho-Kuwait deal revised

By Margaret Reid

Arrangements for Kuwaiti interests to subscribe for a substantial new stake in Lonrho have been revised, so that the deal will now consist of an initial purchase of half the shares in question, with an option to take up the rest later.

The total sum involved, originally fixed at £11.44m., could now be higher, up to £14.52m. should the option be exercised at the end of two years.

It was announced in February that certain new Kuwaiti interests would be allotted 8.8m. shares, an 11 per cent. addition to the then existing Lonrho capital, at 130p a share. Yesterday, the company said the number of shares had been revised upwards to 9.68m. to take account of the recent one-for-ten scrip issue. It was also recalled that at the annual meeting in March the inclusion of an option as part of the arrangement had been indicated.

The present agreement, which is subject to the approval of shareholders and loan stock holders, and to any necessary Governmental consents, is with Sheikh Nasser Sabah al Ahmed, already a director of Lonrho, on behalf of certain Kuwaiti interests. Provision is made for the allotment of 4,840,000 shares for cash of £5.72m.—implying a price of 118p a share—and for an option on a further 4.84m. over two years at a consideration rising from £5.72m. to £8.8m. Terms of the option provide that the price for the shares covered would rise in steps from 118p to 181p.

The consideration is to be paid in Kuwaiti dinars. Mr. F. A. Butcher, a Lonrho director, said the rate of exchange which would govern the whole transaction would be the market rate at close of business on May 12.

Sheikh Nasser and associates already hold some 10m. Lonrho shares, while another 5.5m. are controlled by Mr. M. Al-Fayed and associates in the United Arab Emirates, who also have an option to subscribe for 2.2m. more. The interest of Mr. Al-Fayed, who has joined the Lonrho Board, arose from the sale of the 20 per cent. holding in Richard Costain to Lonrho.

If all transactions proposed go through, and the options are taken up, Lonrho will have some 107m. shares in issue, of which the Middle Eastern interests will account for about 25 per cent.

A detailed circular will be despatched within the next two weeks.

FINANCIAL TIMES SURVEY

Thursday May 15 1975

STRATHCLYDE

Strathclyde is the largest of the nine new regions which come into effect tomorrow in the first major reform of local government in Scotland for nearly a century. It encompasses roughly half of the country's population and most of its industrial muscle.

Change comes at a sombre moment

STRATHCLYDE is effectively half of Scotland—some say the better half. Others are more discreet. The region is loosely held together by the magnetism of Glasgow and industrial Clydeside, though its design is in fact more the product of planning convenience than of positive popular identity.

It is the largest of the nine regions created in the 1973 legislation, which takes effect from to-morrow. This is the first major reform of local government in Scotland for almost a century. It sweeps away the four city, 197 burgh, 196 district and 33 county authorities, some of which can trace their ancestry as far back as the 12th century. Glasgow is just now celebrating the 800th anniversary of its foundation and is looking back on a tumultuous history which reached its Victorian apogee as the Empire's second city.

Strathclyde itself covers some 5,348 square miles, approximately one-sixth the area of Scotland, and is second only to the Highland Region in terms of physical size. Its population is about 2.6m., half the Scottish total, and comparable with that of Wales and the new English metropolitan counties of Greater Manchester and the West Midlands.

As well as being the largest it is also the most diverse of Scotland's new administrative units. Its northern boundary crosses Loch Linnhe only a dozen miles or so south of Ben Nevis, Scotland's highest peak, and embraces the West Highland isles of Mull, Coll and Tiree. To the south it rolls through the gentler Robert Burns country, past the Doon Valley to the Galloway Peninsula, and in the east it stops just short of the Scottish Border counties. At its heart, in violent contrast, sprawls the Clydeside conurbation, still the engine-room of Scotland.

Because of its size and character, Strathclyde is also in several important respects the crucible of Scottish affairs. Prospects for the whole of Scotland will be deeply influenced by the way in which the region measures up to its vast administrative, industrial, social and, ultimately, political challenges.

In administrative terms, Strathclyde takes over most of the leading functions (the important exception is housing) of the City of Glasgow, and the counties of Lanark, Renfrew, Dunbarton, Ayr, Argyll and Bute. It will employ about 90,000 making it the largest single employer north of the Border, and will administer a capital and revenue budget of over £500m.

Machinery

It will run a police force of nearly 9,000 and will plan and operate a public transport system on which some 70 per cent. of the population relies for travel. It is the largest education authority in Britain. Its education department accounts for half its total payroll, some 24,000 of whom are teachers attending to 500,000 pupils in over 1,100 schools.

Its major problems concern the battle to control inflation (its budget has increased by more than £100m. in two years) and to prevent the vast machinery of local government becoming even further isolated from its widely scattered electorate. On both scores its chances of success look uncertain.

The regional authority has already lost its battle with central government to win control over the four new town development corporations located within its boundaries. It has scarcely begun the longer struggle to assert its wish to have far greater autonomy in determining functional expenditure priorities (including those associated, increasingly controversially, with the new towns, whose financial allocations have represented such large portions of county budgets).

Contributing to the region's initial difficulties is the paradoxical uncertainty about its own future. It is the major component of a local government reform which, when it was first recommended in 1969, was immediately endorsed by central Government as the only preferable alternative to the creation of a domestic Scottish Parliament. Since then, of course, events have obliged the preparation of plans for an elected Scottish Assembly, to which the Government intends to devolve significant law-making and executive powers in about two years.

As a result, Strathclyde now finds itself at the sharp end of a fierce and unresolved argument about the relationship between the Assembly and Scotland's regional authorities (for which the Assembly will become responsible). It could well be that, to establish its own ascendancy, the new Assembly might wish to consider remodelling local government yet again.

The second challenge facing Strathclyle concerns its economy. It is confronted with daunting difficulties in reversing the trends of the last 10-15 years, for much of which period its unemployment rate ran at nearly twice the national average. Its unemployment and net emigration losses have been at levels consistently above those in almost every other U.K. assisted region: during the 1960s it lost more than 40,000 jobs for men: its net loss of 216,000 people was equivalent to the population of Dunbarton County and involved, typically, the young and highly skilled members of the community.

Glasgow has been particularly severely hit by losses both of jobs and young population, notably to the new towns on its edge. The city (and some of the smaller surrounding burghs) are now seeking a slow-down in the rate of growth of the new towns so that they can concentrate regional resources on the redevelopment of more balanced employment and housing resources.

The Government, too, is attempting to rekindle morale by transferring some 7,000 civil service jobs from London to Glasgow in the next ten years. Similarly, it has chosen Glasgow as the headquarters for its Offshore Supplies Office and, more significantly, for its British National Oil Corporation. Both moves are designed to engage the manufacturing industries of the region more closely in the oilfield development work in the North Sea.

The region will also provide the most important test-bed for the Scottish Development Agency which the Government will set up before the end of the year. Funded with up to £300m. over five years, it is the vehicle on which almost all of the powers over regional investment aids are being devolved, from the Department of Industry to the Scottish Office. One of the Agency's early tasks is expected to be to undertake a major industrial recovery project in the Cambuslang area of Lanarkshire, to provide alternative employment for many of the 4,800 steelworkers whose jobs will disappear in the next three years.

Analysis

Finally, it is becoming clearer every day that the region must get to closer grips with immense social problems. Every new indicator of urban deprivation which is sent crashing in on the political conscience seems to represent an ever-bleaker portrayal of Clydeside's position. February's dry statistical analysis by the Department of the Environment, which examine the most needy areas of British cities on standard census measurements, such as low incomes, unemployment, overcrowding and houses lacking in basic amenities, concluded by saying "the national picture is dominated by Scotland whose cities, particularly Clydeside, apparently contain areas of urban deprivation on a scale not matched in England and Wales."

Inevitably there are widely conflicting estimates of the true scale of need. Local administrators are now fixing their sights on proposals for tackling the 15 or so worst areas of "multiple deprivation," covering perhaps 100,000 people in Glasgow. What is being considered is the concentration of professional and financial resources behind social work teams which would represent all the disciplines—education, housing, health, infant care—which are most involved in overcoming deprivation.

Against this sombre background, Strathclyde may too easily give the impression of a region with its shoulders permanently hunched against an unavoidable adversity. In fact, it has considerable reserves of talent and innate optimism on which to draw. The region's two universities—Glasgow and Strathclyde — for instance are among the sponsors of the Scottish Business School whose long-term aim is to raise the calibre of local management (and trade union representation). Strathclyde in particular is now beginning to develop an increasingly pointed and useful critique of past development policies and future resource-based options. Finally, the restructured regional authority imagines with some confidence that it will swing a much heavier political clout with a Labour Government which knows that its ultimate Scottish support is heavily concentrated in Strathclyde. With the ever-present threat of a Scottish Nationalist breakthrough in the region, there is clearly a good deal of political capital invested in that assumption.

Chris Baur,
Scottish Correspondent

Uncertainty in steel

WITH ALL of Scotland's steel-making industry — employing over 25,000 people — centred in Strathclyde, the region clearly has a critical interest in seeing an end to the three principal areas of uncertainty concerning the industry. These are the immediate question of production cuts and labour shedding during the current period of low demand, the character and timing of the British Steel Corporation's long-standing rationalisation plans and finally, the future significance of Hunterston, on the Ayrshire coast, as a potential major steelmaking location. All three issues are closely linked and (despite the longer-term nature of much that is implied in the proposals for Hunterston) each of the three clamours for early attention.

The most recent proposal by the BSC, forced on it by a recession which is calculated to be producing losses of some £2.5m. a week, has been to cut its labour force nationally by up to 22,000 this summer. There would be about 4,000 redundancies among Scottish steelworkers. The proposal would involve the closure of the Clyde Iron Works, the open-hearth plants at Clydebridge and Lanarkshire and the slabbing mill at Clydebridge. Shift and production cuts would also be made at Dalzell and Glengarnock works.

At the time of writing, these proposals are still under negotiation, having been rejected by the steel industry unions. For the moment their significance lies in the fact that, if they were sanctioned, they would effectively hasten some of the main components of the Corporation's long-delayed rationalisation programme in Scotland.

Output

The works and sections of works which would be involved in this "short-term" retrenchment—and which the BSC has been honest enough to admit might not all re-open—are among those which the Corporation announced almost three years ago would be phased out anyway. Moreover, the Corporation would achieve, earlier than it had foreseen, the enlarged service role for its key Ravenscraig strip steel works at Motherwell.

That works, where £100m. is being spent to double liquid steel output, would immediately take on the extra load of supplying ingots and slabs to neighbouring general steels rolling mills. This would be the beginning of the function originally intended for Ravenscraig which, as the centrepiece of the BSC's Scottish investment programme, is being designed as the prime source of Scotland's current output capacity of about 3.5m. tonnes a year.

Although these proposals are now being urged under the immediate and unforeseen pressure of a slump in demand, it is clear that if they were authorised they would help retrieve some of the time which the BSC has already lost in implementing its original rationalisation plans.

Those plans were announced in Scotland in June 1972, and involved the closure of most of Scotland's 34 open-hearth furnace operations at Dalzell, Lanarkshire, Clydebridge and Clyde iron works. The primary rolling mills at these works were also to go. The plan, which was then expected to reduce Scottish steel employment by 6,500-7,000 jobs, was intended to be carried through during the three years to the end of 1977.

The prospective starting time, at the beginning of this year, has been delayed by the government's decision to review the closure programme throughout Britain. The final round of discussions on the Scottish review took place last month. A decision by the government (which announced in February, after a similar local review, that it would postpone 13,500 planned redundancies at Cardiff, Hartlepool and Shotton, for 2-4 years) was promised this month. This may now have been complicated by the broader issue of how to deal with the recession.

In any event, the Corporation's own medium-term proposals have undergone some voluntary change. The original peak target of 7,000 redundancies by the end of 1977, has been reduced to a gross total of almost 4,800 job losses by the end of 1978. This has been achieved by offering to reschedule some of the closures. The Coropration also calculates that when account is taken of the new job opportunities which will arise through its £400m. Scottish investment programme, the net job loss will be reduced to about 2,400.

One of the main difficulties here, however, concerns timing. There has already been a delay of about one year in commissioning the £100m. Ravenscraig expansion, which will provide most of the additional employment and much of the replacement steel-making capacity on which rolling and finishing mills will become dependent. The project is now expected to be completed by mid-1977.

In this situation it would doubtless help in the argument with the steel unions if there was some early clarification of several aspects of the Corporation's outstanding investment plans. Substantial investment has been made to extend the capacity of the Clydesdale tube works and to modernise the Dalzell plate mill facilities. In addition, work is now well under way at Hunterston, on the provision of a £40m. ore and coal import terminal, capable of docking the largest ore carriers and of serving as a U.K. transhipment facility.

But other facets of the current ten-year strategy remain unclear—indeed, it is hard to resist the observation that they may be kept unclear until the Corporation is given firmer guidance on its manning objective by government. A decision in principle has been taken to spend about £20m. on a direct reduction ore pelletising plant at Hunterston, capable of producing some 400,000 tonnes a year of iron-feed for electric arc furnaces in Scotland and elsewhere.

It now seems likely that a plant with double that capacity will eventually be laid down, though it is not known when a start will be made. The timing is liable to be influenced by the more crucial decision concerning the location of the proposed electric arc plant, with a capacity of up to 1m. tonnes a year, which the pelletising works would support.

Potential

The alternative sites for the electric arc plant (whose likely cost will be some £30m.) are Hallside, in Lanarkshire, or Hunterston which, with its deep-water terminal, has been earmarked by the Scottish Office and the Corporation as the assumed prime candidate for any large-scale investment in integrated steel-making which might be undertaken after 1980.

Hunterston is the real political football in the long run—it has been for more than six years now, ever since it was first recognised that its deep water offered a potential for bulk processing of certain raw materials. Oil and iron ore processing have always been the two most realistic models for that site and it is now quite clear that of the two (and despite a concerted commercial effort by two oil companies to get approval for oil refineries) the Scottish Office decisively favours the peninsula's use for steel. There have been some recent signs that the BSC also regards production of, say, some 10m. tonnes a year of steel at a new Hunterston complex as highly probable in the early 1990s. There are those on the Corporation who evidently regard Hunterston as the last viable coastal site in the country, whose ultimate development is therefore "inevitable."

A planning unit is being set up by the BSC to undertake the preliminary work and it seems clear that the present government would favour a commitment to start work on such a complex at least by the late 1980s. In the industry's present hard-pressed circumstances, however, there are equally clearly considerable restraints on taking too early a decision. (A commitment to Hunterston, for example, would almost certainly destroy any notion of redeveloping North Wales' Shotton works, where there is strong pressure to invest in new plant and so save about 4,500 jobs.)

Similarly, the steelmaking community of Lanarkshire still requires to absorb the full consequences of a plan which would effectively move the entire centre of gravity of the industry to the coast. There are those in Scotland's traditional steel areas who have labelled the Hunterston scheme a "white elephant" and have pointed out that such a complex would require simply vast accompanying investment in down-stream steel-using industry to justify steel production at several times the size of the current Scottish market. It is then that, of course, is the ultimate attraction of Hunterston in job-hungry Strathclyde.

Chris Ba[illegible]

Economic trends

EVEN IN a much friendlier economic climate than the present one, it would be clear that industrial Clydeside—the urban heart of the new Strathclyde administrative region, which is centred on Glasgow—faces a long and arduous haul to recovery. The scale of the task involved in reversing the trends of the last decade immediately dictates the necessity for enhanced government assistance—and assistance, moreover, which may have to be uniquely moulded to the area's special requirements in ways not yet attempted by regional "aid" policy.

One of the objectives of public policy will be the continued need to attract a high level of productive investment from outside the region. Strathclyde is, in fact, budgeting for an intake from these sources of between 20 and 30 per cent. of its total new job requirements. But it now seems to be widely accepted that the overriding emphasis will be on the regeneration of the region's indigenous industry.

Stratclyde's difficulties, briefly, have been characterised by unemployment and emigration rates which have been consistently higher than in any other British assisted region and by low productivity and low growth whose causes, it is now evident, have not been shared by other U.K. Development Areas with broadly similar structural disadvantages. Since the war, Clydeside has relied heavily on the conviction that these problems, created by the decline of its heavy manufacturing and primary sectors, could be overcome by lashing new rafts of imported technology onto the existing ageing industrial superstructure.. This has been achieved both through the "stick" of U.K. Regional Development policy and the "carrot" of international promotion. The process has undoubtedly contributed towards the situation in which more than 57 per cent. of manufacturing employment on Clydeside is now in establishments which are owned and controlled outside Scotland.

In the regions' circumstances, this has been an unavoidable process. It has had its benefits. There is some evidence to suggest, for instance, that these "*branch*" *operations—contrary* to long-established assumptions—have actually performed somewhat better than their indigenous counterparts, notably in their ability to adapt to and to exploit changing market conditions. In addition, it is undoubtedly the case that incoming industry has been largely responsible for diversifying the region's economic make-up. The growth of new manufacturing activities has been concentrated in such industries as instrument, electrical, electronic and mechanical engineering, as well as clothing and footwear production. Incoming industries have accounted for some 30 per cent. of the employment gained since the war.

Apparent

On the other hand it is equally apparent that this infusion has simply not been enough to compensate for the very large simultaneous employment losses sustained in such sectors as mining, shipbuilding and marine engineering, metal manufacture, distribution, transport and textiles. The region ended the 1960s with an employment deficit of 10,000 jobs, concealing even larger falls in male employment, in return for disproportionately large gains in work for women. What this means is that virtually no progress has been made in correcting the basic disparities. Indeed, in some respects the region's position has deteriorated. In addition, studies suggest that while for much of the post-war period, Clydeside succeeded in attracting its fair share of new employment from incoming industry, the proportion slumped heavily from the mid-1960s. By the beginning of the present decade, Clydeside's share of new employment from immigrant industries settling in

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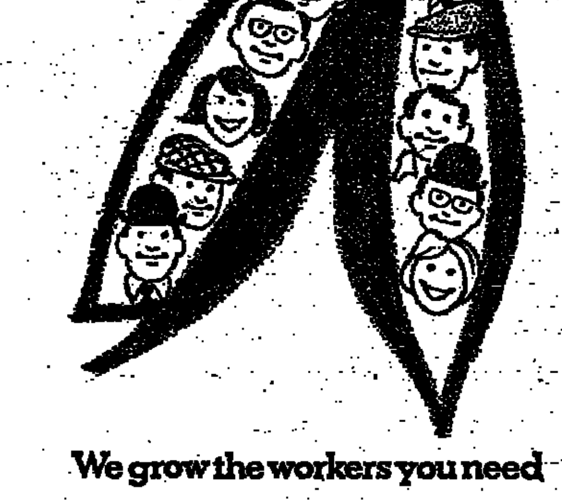

The new industries

THE SCOTTISH economy over the last two years has been performing relatively better than the U.K. generally while paradoxically the "new" light industries brought in, particularly in the West of Scotland, radically to restructure the industrial base, have suffered worst from the worldwide recession.

The electronics, consumer durable and science based industries have been hit by a combination of redundancies, rationalisation and closures (which has rocked the foundations of regional development policy and has wrought a reaction against international investment capital in Scotland. North Sea oil, with its influence on the prosperity of Scotland's traditional heavy industries and the cushioning effect it has had on the unemployment situation, has compounded this reaction by restoring Scottish faith in the primary industries.

Another factor which has prompted a more jaundiced view of the new industries is that over the past two years these new industries themselves have become victims of advancing technology. Up to the end of the 1960s Scottish factories of international companies were expanding from pilot plants to full-scale production units, but the advanced technology which encouraged the rapid growth also demanded rapid change, particularly in electronics, and the need to change has caught up with many Scottish plants at the very moment when recession was beginning to bite.

Honeywell, with its three plants in Lanarkshire at Newhouse, Bellshill and Uddingston, is a classic example of high technology changing rapidly, a fast growth rate and multinational ownership, the latter hardly the most popular cause in the 1970s. The company from a peak of well over 5,000 workers at the end of the 1960s has now slimmed down to 3,000 and in the past month a high proportion of the workforce has been put on short time. The recession in the consumer durable production industry and in construction has affected orders for micro switches and control systems at the same time as the company's magnetic tape system for computers was becoming obsolete.

The sudden shock of 1,100 redundancies on a deteriorating labour market in North Lanarkshire was politically explosive, providing valuable ammunition for the opponents of multinational companies, and this was not helped by the apparent helplessness of Government to reduce the number of job losses. More damaging, was the boost that the redundancies gave to the argument that regional policy had failed to bring long-term stable employment to Scotland and was instrumental in creating a branch factory economy.

Completely ignored in the furore over the redundancies—which were largely accepted voluntarily by the workforce—was that Honeywell were also doubling output of their new series 6000 computer at Newhouse and would be increasing the workforce this year to cover the new production levels. The major criticism that perhaps could be levelled at the company—and by implication other "new" companies in Scotland who had been recruiting labour up to the autumn of last year—is that their market forecasting had gone sadly awry, but the Honeywell experience can in no way be seen as an indictment against attracting new high technology industries to Scotland.

Collapse

After the Honeywell cutback, the collapse of the consumer market began to bite in Scotland and as most of the consumer orientated industries in Scotland are "new" industries, largely American and concentrated in the Strathclyde region, the questioning of the philosophy of regional policy has become marked in the West of Scotland.

At the Scottish Trades Union Congress in Aberdeen in April, after a heated debate in which American multinational companies were lambasted by delegates, one American observer commented: "For the first time since I came to Scotland, I feel that I am a stranger."

There is little doubt that the "new" industries are in one of the worst recessions since the Second World War and the immediate outlook is bleak, but it is also true that very few firms have closed their Scottish plants and having retrenched and taken on board new technology and new products, many of them are poised for another period of growth.

The biggest constraint in most cases is not recession, but the uncertainty over EEC membership. The new industries have been the leaders in setting up new European markets and had the recession not hit now, many of these firms expected to begin reaping the benefit this year of two years groundwork on the Continent since Britain joined the EEC.

General Time, who employ 900 at their plant in the Vale of Leven—one of Scotland's worst unemployment blackspots—has put its biggest effort into opening up a European market and are awaiting the outcome of the referendum with something more than trepidation. Said one executive of the firm: "Selling clocks in Europe is a little like selling sand in the Sahara, but we have invested a great deal of time and money and we were beginning to break through. "To say we are worried about the outcome of the referendum is an understatement. We are even finding some of our customers on the Continent are holding back their orders until they see how the vote goes, but if there is a decision to stay in, we are convinced that there will be a very big market in Europe for us."

The Hoover plant at Cambuslang in Lanarkshire is Scotland's biggest consumer durable production centre and as such has been among the hardest hit by recession. The firm has been forced to pay off a large proportion of its part time women workers and the effects of the increase in VAT has not yet been felt.

There is, however, a good deal of confidence in Hoover, to the extent that one of its biggest worries is the shortage of skilled labour—a problem which is becoming chronic over a wide sector of Scottish industry. The company is expecting its order position to hold up for the next three months through restocking by retailers and at the least a modest upturn in the economy beyond that.

In the longer term, Hoover is more hopeful. A £15m. expansion plan for Cambuslang is under consideration. A decision was expected this year, but the abandonment of small electrical products made at the plant and the recession has delayed the go-ahead for the moment.

More than any other "new" industry, the car industry in the shape of the Linwood plant of Chrysler, was hailed as the beginning of a new industrial era for Scotland when it was announced in the early 1960's. In common with car manufacturers throughout the world, Chrysler at Linwood has been forced to trim its labour force and institute periods of short time working.

Loss

The company, despite an enormous loss of £17m. last year, laid particular emphasis on its determination to stay in business in the U.K. and again the current problems are seen very much as a temporary setback. For Linwood the greatest hope for the future lies in the success of Chrysler in export markets, particularly in Iran where it has huge orders for components to be assembled locally both in the Hunter range made at Linwood and the Avenger, parts of which come from the Scottish plant.

The scale of the recession affecting the "new" Scottish industries is only too well known, but the scale of the regeneration of Scottish industry under the influence of successive government's regional policies is not fully realised.

Up to the early 1970s the influx of new industry was only able to match the loss of jobs in the traditional industries particularly coal, steel and shipbuilding, but the discovery of oil has changed that situation and last year for the first time since the War there was a net inflow of population.

North Sea oil has cushioned the effects of recession in Scotland and has brought with it a new generation of incoming industry, but it has also had an important effect on the stability of the foreign owned firms who have already settled in Scotland. Scotland is seen as an international centre of economic activity and the pressures to ride out the storm and maintain a Scottish presence is that much stronger.

John Drummond

Economic

CONTINUED FROM PREVIOUS PAGE

Scotland had fallen from about two-thirds to one quarter.

This experience has encouraged the belief, in the past few years, that the region must seek its salvation by re-planning its internal resources, rather than seeking a solution in the attraction of mobile industry. This conclusion would have been forced on the region in time, anyway, in view of the present scarcity of mobile investment both within the U.K. and internationally. But two further factors helped to bring the Clydeside dilemma into sharper focus.

The first has been a straightforward matter of comparison. There has been, since about 1972-73, a relative improvement in the position of other Scottish regions, notably in the East and North, where sometimes startling growth is expected, largely through the impetus of North Sea oil-related activity. This has helped to rip off the mask of Scotland's more uniformly disappointing pre-oil economic performance—a mask which has helped to conceal the deep-seated nature of many of Clydeside's difficulties. Secondly, these difficulties have been further exposed to the political gaze under the discipline of intensive study. Last summer saw the publication, after three years' work, of the first comprehensive examination of the region's economy for almost 30 years.

Some of its conclusions have certainly proved difficult to stomach locally—it does no region's pride much good to be shown that it is the most problematical of Europe's "declining industrial regions." Yet merely to achieve a parity of performance with other U.K.-assisted areas, Clydeside needs the creation of jobs on a scale which outstrips the predicted requirements until 1980 of similar regions in France, Italy, Belgium and Holland.

Task

The size of the task is illustrated both by the forecasts of the planners and by the degree of uncertainty which surrounds the most optimistic of those forecasts. Last summer's West Central Scotland Plan estimated that at best (which assumed completely overcoming the region's low-growth problems), Clydeside might secure about 288,000 new jobs between 1971-81 and might lose about 228,000, a net increase of 60,000. The lowest projection for the same period was that the region would lose about 240,000 jobs and secure only 187,000 replacements, to give a net loss of some 53,000 jobs. The worrying fact is that, of the two, the region's past performance and the trends within it since 1970, rather suggest that the lowest estimate may be the more realistic.

As the planners point out, even if the highest estimate were attained, unemployment would remain above the national average and net emigration from the region would run at about 13,000 a year, a reduction on the average 24,000 annual net loss throughout the 1960s but still above the level from other regions. In addition, the highest estimate assumes no increase in manufacturing employment, and only a marginal rise in population. The bleak implication of achieving the lowest estimate is that unemployment would rise still further and that net emigration (at an average of 32,000 a year) would reach dimensions comparable only with the 1920s.

One of the crucial aspects of the study was that it identified a number of problems which semed to be peculiar to Clydeside, and which prevented the region from matching the performance of other U.K. assisted regions with similar structural disadvantages. "If the region's industries had done as well as their national counterparts between 1959-68," the report said "an extra 43,000 jobs would have been gained. This 'local deficiency' in employment performance contrasts markedly with the rest of Scotland, Wales, Northern Ireland and Northern England, all of which gained employment more rapidly than their industrial structure would have suggested."

Among the "special problems" that were isolated, two were particularly stressed. The first related to the region's poor industrial relations record. Even allowing for the dominating local influence of industries whose nationwide disputes record was poor, it is clear that Clydeside's above-average loss of working days through disputes was not simply the result of a statistical distortion. Secondly, there are definite, but not easily quantifiable anxieties about the state of local management, much of which, says the report, is "conservative, inflexible and lacking in dynamism." The region has a poor record of new company formation—during the 1960s only one third of the jobs created in new manufacturing enterprises was generated by local sources.

Clydeside has already secured a major proportion of the manufacturing work associated with oilfield development — about 9,000 workers (almost half the Scottish total) are now estimated to be engaged on oil-related manufacturing contracts in the region, largely in the provision of engineering hardware. On the other hand, it is also clear that a significant part of the new employment created by oil-related work (possibly up to one-third in Scotland as a whole) represents a redeployment of personnel rather than additional capacity. The total employment impact of oil has been very small so far in relation to Clydeside's requirements, and, while there have been some most significant initiatives by local companies, their number still suggests that only limited progress is being made towards the earlier hope of creating a new oil-serving industry founded largely on the region's heavy and marine engineering traditions.

It seems clear that, in oil related activity, as in other proposed areas of endeavour—such as the relocation and expansion of the steel industry on the Ayrshire coast, or the transfer of large sections of civil service work from London to Glasgow—the region is bound to rely increasingly on the intervention and assistance of central Government to have any hope of achieving its overall growth targets.

Chris Baur

Servicing the oil boom

RECENT GOVERNMENT figures have shown Strathclyde—Scotland's traditional industrial heartland—to be losing out comparatively speaking to the North East, with its geographical advantages, in the spin-off from business and employment created by oil discoveries. Out of the 30,000 people in Scotland estimated to be employed on oil-related work less than a third—9,000—live in Strathclyde. About 18,000 of the total are employed in newly-created jobs, *yet again Strathclyde comes off* worse with only about 5,000. The Offshore Supplies Office, with its headquarters in Glasgow, estimates that there are 55 major suppliers to the burgeoning £800m. a year North Sea market, with 800 sub-contractors and 2,000 companies involved in supplying goods of one kind or another. While there is not a regional breakdown of these figures, on all accounts Strathclyde is not doing well.

These figures serve to illustrate the basic paradox of Strathclyde and oil: this new and unexpected market has been responsible for the considerable rejuvenation of the old-established heavy engineering sector which after the Industrial Revolution brought Clydeside in to the forefront of Victorian prosperity. Long neglected, run-down and impoverished, the industry is now rapidly coming to grips with the engineering and fabricating demands of oil. Indeed the Scottish Engineering Employers' Association has warned of a growing shortage of skills which is threatening industry's ability to respond to the next upturn in trade. Many workers, especially those skilled in metalworking, are leaving existing employment for firms involved in oil-related contracts including the previously unfavoured heavy engineering sector. *No longer are welders,* platers, fitters and others with like skills laid off in their hundreds.

Correspondingly it is the newer industries like electronics and light engineering, attracted to the area to provide a basis for its economic revival, which are suffering from the present recession with its harsh effects on the market for consumer durables. The questions this situation poses for the hopes of a major resurgence in the West have not yet been properly answered despite the announcement of the Scottish Development Agency.

The impact of oil on Strathclyde takes two distinct forms: the creation of entirely new activities such as platform construction and module fabrication, and the efforts of established firms to adapt their products to the special requirements of the oil industry. The region has become Scotland's concrete platform centre, with the world's largest platform yard at Ardyne Point near Dunoon and the Government's first State-financed site at Portavadie on Loch Fyne. Two other yards have received planning approval, and although there are pessimistic assessments of the platform market in future, at least one, at Campbeltown, may also get the go-ahead.

Frantic

The frantic, undignified and largely unplanned scramble for concrete platform sites on the Clyde estuary has now dissipated leaving behind the distinct view that it was not all worth while. The Sir Robert McAlpine/Sea Tank operation at Ardyne has suffered major labour problems in its 16-month existence which — together with continual design modifications — have made all three platforms under construction a year late in expected delivery. This has proved a sizeable factor in the postponement of production from the Frigg Field for a year *to 1977, and is also likely to* similarly delay a start-up on the massive Brent - Cormorant - Dunlin-Hutton-Thistle complex. After all that McAlpine's now find themselves with an empty basin and no order to fill it, with the immediate prospect of a second vacant dock once another base is floated out.

Strathclyde also encompasses two of Scotland's four module construction yards. The best-established one is run by Foster Wheeler John Brown at the former Dennys shipyard in Dumbarton. Employing 700, it has completed three modules for BP's Highland One Forties platform and has further orders for 14 modules for the Brent, Piper and Amoco production platforms. Costing £1.5m. to establish, it also has suffered labour troubles and has still to make a profit. The other module yard, up-river at Rothesay Dock at Clydebank, was started up six months ago by John Brown Engineering Offshore who invested £2.2m. in constructing a purpose-built facility. Initial orders for 11 modules worth nearly £5m. have been obtained.

In the other main arena of oil-related activity, involving established firms, it has been mainly the larger engineering groups that have been most successful. Their sophisticated products have required little modification for oil-related work. Pumps, generators, boilers, storage tanks—all traditional Clydeside products—are easily adaptable to oil use.

Of course, the big question is now whether the new technology learned so painfully and expensively by Strathclyde's traditional industries can be put to more profitable use as providing *a new export base to oil fields* round the world, as the U.S. has done. Some who feel that in this way the West could overcome its massive economic and social problems point to the export orders won by firms like JBE and Weirs for the Middle and Far East. But this is a drop in the oil bucket compared with the volume of exports required to achieve such a target. However, *a pointer to the increasing* interest being shown abroad in Scotland's new oil technology is provided by the decision of the Sino-British Trade Council to mount a one-day conference in Glasgow next month on the opportunities for Scottish exporters in meeting China's growing demand for equipment and knowledge to help her extract oil from recent finds in the China Sea. Traditionally Scotland's engineers have tended to specialise in the low to middle ranges of technology—the art of getting things done—which are of particular interest to countries like China who are a few years behind our developing oil-related industry.

The impact of oil on Strathclyde's heavy engineering sector is perhaps best measured by the number of skilled men looking for work. Fourteen months ago when a U.S. businessman announced a speculative oil fabrication project in Glasgow—it later crashed without winning a single order—it was deluged with 1,500 applications for 600 jobs. To-day the papers are full of advertisements for such trades and a common complaint of personnel managers is that they cannot find enough skills. Certainly, number left for the North-east and oil-related work there, but the majority who stayed behind have been rewarded well. It will be a sad time for Strathclyde if it ever again has to witness large-scale unemployment among such workers.

Paul Stev

New towns

THE DECISION by Mr. William Ross, Secretary of State for Scotland, last autumn to slow *down the development of Stonehouse,* Scotland's sixth new town, has signalled a number of subtle but significant changes in public attitudes to new towns. For in lowering the first-stage target population of Stonehouse from 35,000 to 13,000 (the three Lanarkshire villages forming the core of the new town already house more than 7,000 people), the Secretary of State also indicated that it would no longer be expected to accommodate Glasgow overspill—one of the two main objectives for new towns in the West of Scotland—but concentrate on the second objective of providing facilities for local economic growth.

This does not, of course, mean that providing for the Glasgow overspill will come to a halt. The drift of population to the other three new towns in the Strathclyde Region, East Kilbride, Cumbernauld and Irvine, which has been largely responsible for Glasgow losing nearly 250,000 of its people in the past 15 years, goes on. The population of the erstwhile "Second City" is now expected to stabilise at around 700,000 to 750,000 compared with the present level of 850,000.

It is, however, not only numbers that Glasgow has lost in these 15 years but quality and structural balance. The people who have set up new homes in the new towns were by and large the younger, more enterprising and skilled people who, perhaps even more than the new factories, fine facilities and pleasant environment, became the new town's most precious asset.

Their departure has left Glasgow with an unbalanced *age and skill structure: and it* was no surprise to learn that 55 per cent. of the city's 20,000 male unemployed last month were categorised as "general labourers."

In some ways this very *disaster has contributed to the* campaign for what may be termed as headquarters development in Glasgow. The National Savings Bank was followed by the Offshore Supplies Office: and more recently, it was decided to locate the new British National Oil Corporation in Glasgow which is also likely to house the new Scottish Development Agency (SDA).

Target

The SDA, incidentally, will, apart from its role as a promoter of industry and environmental improvement, play a significant role in the future of new towns. For the Scottish Office's consultation paper published in January disclosed that the Government plans to assign to the SDA (which takes over the Scottish Industrial Estates Corporation) the industrial and commercial properties of East Kilbride once the population reaches its target of 90,000 to 100,000 and the Development Corporation ceases to function.

East Kilbride, the oldest Scottish new town, just 12 miles from Glasgow, already has a population of around 72,000, nearly 350 factories—including scores of foreign *enterprises—some important* research centres, including the National Engineering Laboratory, and major office development such as the Inland Revenue computer centre. As the Development Corporation also looks after Stonehouse, designated in 1973 but with no physical development to show as yet, one expects a slimmed-down version to continue after the hand-over of houses to the new district council and the industrial and commercial property to the SDA.

The story of all new towns in the West of Scotland is a telling proof that Glasgow's loss has been very much their gain. Economic progress has been steady and remarkably recession-proof; unemployment has remained at a low level even during the heights of post-war unemployment and in spite of contraction at such major works as Burroughs Machines at Cumbernauld, Rolls Royce or Sunbeam, at East Kilbride. Irvine, whose early development in the first years of this decade was somewhat hampered by the most severe unemployment that has hit Scotland since the war, was still able to draw on the vigour and enterprise of the ancient town which forms the core of the new one.

Both Cumbernauld and Irvine are now past their half-way stage towards their population targets of 70,000 and 90,000 respectively though these targets have been rendered somewhat meaningless by the reorganisa*tion of local government in* Scotland. Nevertheless all three, especially East Kilbride, remain focal points of administrative and economic development in their respective districts and, through their continuing explosive growth potential, significant assets to the vast new Strathclyde Region.

Reorganisation of local government and the establishment of the Scottish Development Agency (expected before the end of this year) are bound to affect the work of the development corporations of new towns. For one thing, they will in future deal with one *authority for overall infra*structural planning instead of three county councils, with each of which they have developed close if not always harmonious relationships. In times of economic stringency, with cuts in public expenditure, the new giant authority will have to exercise the wisdom of Solomon to arbitrate between the often conflicting interests of three thrusting clients.

Furthermore, the frequent cry for "democratising" the development corporations, with their members appointed by the Secretary of State and no "accountability" to local electorates, may also assume a different tone now that the adversary is Strathclyde rather than Lanarkshire, Dunbartonshire or Ayrshire. As just under half the members of the corporations come from the defunct local authorities, they may reflect local pressures to a much greater extent than before.

The same will probably apply to their role *vis-a-vis* the Scottish Development Agency when it begins to function. Up to now, the new towns—like local authorities—have been making regular pilgrimages to the Department of Industry in Glasgow (or, more often to London) to push the claims of new industry. Now that the power to make selective assistance has passed to the Scottish Office which *will* also be responsible for the SDA, the new towns may unite to combat the pressure and influence of Strathclyde.

The Scottish Office's consultative paper already mentioned makes it plain that no further new town is envisaged in Scotland at present. The conclusion is difficult to escape that an era *is coming* to an end: and that when, within the next decade or two, the development corporations hand over their functions to the SDA and the district councils, a post-war experiment which has contributed so much to Scotland's economic and social progress will be wound up with them.

Andrew Hargrave

Future for shipyards

IE SURRENDER of U.K. ipbuilders to Mr. Benn's ıtionalisation proposals has en followed by a period of lm on the Clyde, where the rathclyde Region contains otland's three major yards. anagements, aided by almost solute industrial peace, a sign the new times pervading ydeside, have been concentrat-g on working their way rough the best order books ıce the boom of the early 60s. What little time they ve had to spare is devoted to assessing their assets as a elude to the compensation ttle, and to looking at ways spending their anticipated—hough certainly not welcome lump sums when the British ipbuilding Corporation takes er. However, there are indica-ıns that Parliamentary pres-re may well keep the Bill tionalising the shipbuilding, arine engineering and aircraft dustries on ice until after the mmer recess. This is likely to sh back the projected January 1976 start to the nationalisa-n process, which will consi-ently delay assessment and yment of compensation and rhaps force shipbuilders to ve another think about their ıns which would follow the w legislation.

Strathclyde boasts the U.K.'s rd largest shipbuilding, repair d marine engineering group fter Swan Hunter on Tyneside d Ulster's Harland and Wolff) the formidable shape of the ott Lithgow Group at Port asgow and Greenock on the wer Clyde. Privately-owned, ıploying 8,800 people and with £250m. order book ranging om oil supply ships through bmarines and drill-ships to LCC's, Scott Lithgow is the ıst successful outcome of the ddes-inspired mergers of 66-67. Up-river at the former d famous John Brown's Clyde-nk yard the Marathon Ship-ilding Co., a subsidiary of the uston-based U.S. industrial nglomerate, is recovering er a shaky first two years of ses and lack of orders. With string of six jack-up rigs on ler worth £40m. the yard ems set for a profitable ture.

At Scotstoun Yarrow (Ship-ilders), the main and most ofitable component of the rrow Group, are working through a £80m. order book for the Royal Navy, comprising five Type 21 frigates and the lead contract for the new Type 22. Yarrows need another order soon to maintain production impetus at their recently geared-up yard, and despite a long-anticipated second order from the Ministry of Defence for another Type 22 Yarrows are spending much time and effort abroad, principally in South American countries like Venezuela and Ecuador, in search of export orders.

Scotland's only nationalised shipyard—so far—is Govan Shipbuilders, the rump of the ill-fated Upper Clyde Shipbuilders, with yards at Govan, Scotstoun and Linthouse. Maintaining a low profile in strict contrast to UCS, Govan Shipbuilders have built up a £90m. order book for standard-design vessels mainly for export, and are half-way through a £15m. Government-financed reconstruction of the two main yards which aims to double productivity by 1977.

Unaffected

Marathon is, of course, unaffected by Mr. Benn's plans, as are Strathclyde's smaller yards such as James Lamont and Son at Port Glasgow, the Ailsa Shipbuilding Company at Troon in Ayrshire and the Campbeltown Shipyard in Argyll. However, listed for nationalisation are Scott Lithgow Drydocks Ltd., the group's repair subsidiary, and three Clyde marine engine builders—Scott Engineering Co. Ltd. (another Scott Lithgow subsidiary), John G. Kincaid and Co. Ltd. and Barclay, Curle and Co. Ltd.

Times are generally good for Strathclyde's 20,000 workers directly employed in shipbuilding or marine engineering, as well as the 40,000-50,000 whose jobs depend on the survival of these traditional industries. Pay rates are rising in rough parallel with those in other engineering sectors, although the oil-related industries such as platform and module building in the region are beginning to take the lead in pay after a slow start. For the last two years there has been unprecedented peace on Clydeside, as the workers recover from the traumas of the late 1960's and early 1970's and settle into steady production. Indeed Scott Lithgow's managing director, Mr. A. Ross Belch, was recently moved to describe the "Red Clydeside" tag as "nonsense." Reporting that his group had just concluded "without any fuss or fury" another satisfactory annual wage agreement with the unions, Mr. Belch identified, and was heartened by, a clear and increasing recognition on the part of both sides that industrial survival was everyone's business. Another sign of the times came recently when Yarrow's cranemen went on strike for more money, and tried to spread the dispute to other yards. Not only did the strikers receive no support but the potentially inflammatory move of other workers doing their job to maintain production aroused little anger—a far cry from times not so long ago.

There is little sign that the overhanging shadow of Mr. Benn has affected the Clyde's traditional enterprising and commercial outlook. An example of such continuing initiative was announced at the beginning of the year when Scott Lithgow signed an agreement with Compagnie Francaise d'Enterprises Metalliques of Paris, the French engineering and fabrication group with major interests in the offshore market. The joint venture provides for exploration of market potential for three CFEM products: a steel gravity platform, articulated columns for production and flare purposes and semi-submersible rig pontoons. The interesting part of the agreement is that Scott Lithgow envisage building such products on their Glen yard VLCC berth, used so far to build two 264,000 tankers in two halves and joining them afloat. Thus the group are adroitly moving out of the stricken tanker market into the much more healthy oil field.

Indeed Scott Lithgow are shaping to have offshore oil work overtaking conventional shipbuilding as its main business. They are investigating the possibilities of module fabrication as well as the so far ignored construction of heavy lifting and laying barges for the North Sea. At present oil-related work provides more than a third of the order boom, with £90m. worth of contracts for drill-ships, service vessels and tugs.

Oil is also likely to be the direction followed by Scott Lithgow and Yarrows once they get their hands on the Government's compensation. Sir William Lithgow is already fairly heavily committed to oil development of one kind or another, his interests including a directorship of Gulf Oil's new Scottish subsidiary, Gaelic Oil, and it is not difficult to imagine a Lithgow participation in a British—or preferably Scottish—oil venture. Indeed it could ironically be the Government's dogged determination to nationalise that provides the springboard for a major British force in offshore drilling, production or refining, financed largely by compensation cash. Yarrows have been examining the alternatives for some time, initially concentrating on the possibilities in module construction. Before the nationalisation terms were known Yarrows bought the adjoining Elderslie dry dock with thoughts of building modules there. However, Mr. Benn decided to include all recent acquisitions in his plans and Yarrows were forced to give up that idea. They subsequently considered using existing engineering firms with waterfront sites as sub-contractors but in view of the recent sharp increase in the capacity of the U.K.'s module fabricators such an idea may not now be attractive.

A significant indicator of the resurgence of Clyde shipbuilding has been the recent export of ship designs. Govan Shipbuilders recently licensed the South Korean shipbuilders Hyundai to build 15 of their "Govan" design 23,000 ton general cargo vessels for the Kuwait Shipping Company who have 13 of the same ships on order at Govan. The deal, which has resulted in a £20-million spin-off for U.K. marine equipment suppliers, arose when the Kuwait firm wanted more of the commercially excellent design. Govan Shipbuilders could not hope to meet either their demand for a fixed price contract or the delivery dates of 1976-77, so agreed to licence Hyundai. Scott Lithgow have also sold their VLCC design to Hyundai, and recently licensed an Indian yard to build four of of their Panamex design ships.

Strathclyde's future as one of the U.K.'s three main shipbuilding centres seems assured, nationalisation or not. It seems likely that once the Shipbuilding Corporation is established—possibly in Strathclyde—the passing of the private and public companies will be little noticed, as was the case with Govan Shipbuilders.

Paul Steven

Complex transport problems

NO EARLY solution can be expected to the extremely complex transportation problems in the Strathclyde region, with its mixture of highly industrialised, pastoral and remote areas served by rail, road, sea and air facilities, mainly based on a commercially viable system.

In recent months very intensive efforts have been made by the new council and its officials to identify the causes of the problems, suggest possible remedies and list the priorities by which they can be tackled in preparation for the council's first multi-million pound budget to be announced towards the end of June.

With the present curb on local authority spending, and an endeavour to contain the effects of inflation to 25 per cent. over last year's budget, changes will inevitably be gradual and phased over a period of years. No area in England and Wales, where the transition to regional government was made a year ago, had to review and attempt to resolve the same widely varying problems of those in Strathclyde, with its tradition of transport based on urban or rural needs linked to central points of population.

Desirable

The obligation falls on the new council to end the fragmented system which occurs from separate and isolated consideration of road, bus, rail and ferry needs and evolve fair and equitable policies designed to make Strathclyde a desirable place to live and work in, as well as further the promotion of its greater prosperity. Because of the additional difficulties arising in the first year after reorganisation, the Scottish Development Department has extended until September the date for the submission of the council's initial document on transport policies and programmes, the master plan for determining capital expenditure and the Government support grant.

Half the population of Scotland is contained within the Strathclyde region. Some 1.9m. people are resident in the 800 square miles conurbation serviced by the Greater Glasgow Passenger Transport Executive. The remaining 600,000 people are spread over 5,000 square miles and serviced by British Rail, the Scottish Transport Group, Western Ferries, several privately-owned bus companies and small ferry companies. The nationalised STG is composed of area buses, Caledonian MacBrayne Steamers and David MacBrayne. A £9m. investment in Clyde and West Coast shipping has been made in the past six years by the STG, building new piers, four major new ferries at a cost of nearly £5m., and converting others to roll-on roll-off operation, with a 400 per cent. increase in car and 100 per cent. increase in passenger traffic.

Besides the ports and harbours, Scotland's two main airports at Prestwick and Glasgow, come within the region and close liaison is maintained between their owners, the British Airports Authority, and the Regional Council, especially in relation to the development of industry and commerce. At a time when air passengers have declined considerably throughout the United Kingdom, BAA is confident that the recession so far as it affects Scotland is only temporary and over the next five years they plan a £10m. expansion for Glasgow airport which they took over from the municipality on April 1 last.

The overall Strathclyde picture shows a total of 7,650 miles of public highway. For administrative purposes, this is divided into six divisions, Ayr being the largest with 1,956 miles for a population of 366,000; Lanarkshire next with 1,580 miles (p. 504,000); Argyll, 1,407 miles (p. 64,000); Glasgow, 1,150 miles (p. 984,000); Renfrew, 815 miles (p. 364,000) and Dunbarton, 709 miles (p. 296,000). At 1973 prices, an annual capital expenditure on roads of about £60m. with a revenue expenditure of about £20m. has been suggested and a budget of about £30m. for rail and bus modernisation and maintenance. Based on the estimated rating revenue plus Government support grant, the Regional Council will have to determine not only the allocation on the road programme, but also such factors as safety, parking provision, management studies and fare structures, including an attempt to unify the widely varying concession fares for old people in the different districts.

Public transport inadequacies in Glasgow, the hub of the region, are being removed by the modernisation of the former municipal Underground system linked to British Rail's electric trains operating on the north and south sides of the Clyde. The old Central Low Level route through the city centre, which was "axed" by the Beecham economies a decade ago, is to be reopened and updated at a cost of £15m., with three new stations and spurs developed to the populous new suburban areas.

The six miles double circle of the Underground (with a radius of 1½ miles) is planned to have its "new look" completed by mid-1978 at a total cost of £12m. There will be a fleet of 33 speedy coaches and elevators operating at nine of the 15 stations, with a travelator installed between Buchanan St. Underground and British Rail's Queen St. station. Another main link with British Rail provides a completely new interchange station at Merkland St., Partick. By integrating Underground and rail services, it is claimed that 94 per cent. of city-bound travellers will be within five minutes' walking distance of the shops and offices they intend visiting.

Reviewed

At the beginning of this year the Greater Glasgow PTE took over responsibility for the financing of the unremunerative local rail services in their area. The Government meets 90 per cent. of this cost, estimated at £8m. Next year the percentage falls to 80 per cent. and to 70 per cent. in the following year, when the situation will be reviewed. The agreement, which envisages greatly improved rail services, includes the lines to Helensburgh, Balloch, Kilmarnock, Gourock, Wemyss Bay, Largs, Ayr, Carstairs and Lanark. It was preceded by a rail-bus interlink experiment, which provided commuters living in two outlying districts of East Kilbride with an express service to Glasgow. And because of its growing success, it is likely to be extended to other areas.

Considerable thought is being given to ways of improving public transport — by bus, steamer, and ferry — in Argyll, the Clyde estuary and the Western Isles. Thinly populated for most of the year, Argyll and the Isles are highly popular with visitors and tourists throughout the summer.

Tourism is a vital part of the region's economy, giving much seasonal employment. The new oil related industry at Ardyne and Portavadie has quickly created new problems and the council recognise the need to subsidise transport and among other measures are looking at the rural bus system pioneered in the Highlands whereby the mail-carrying buses also take passengers.

The escalation of costs has compelled the Government to make a £2.5m. subsidy for the hitherto unsubsidised Cale-

CONTINUED ON NEXT PAGE

Protecting the environment

NO GREATER challenge faces the giant Strathclyde Regional Council than that of the twin tasks of disinheriting the legacy of industrial dereliction while at the same time fostering the full potential of land and sea resources unrivalled in any other region in the United Kingdom.

Eager and almost impatient to take up the challenge is Mr. Arthur Oldham, 53-year-old director of parks in Glasgow who this week takes over for the Regional Council the post of Director of Leisure and Recreation, with wide-ranging duties, including tourism, a major industry in the zone, and which will involve as he puts it himself, "total environment."

Mr. Oldham readily accepts that Scotland's economic well-being in the long term depends not on North Sea oil but on the social and industrial regeneration of the Central West belt and that that means massive expenditure in rehabilitation in Glasgow and North Lanarkshire and, to a lesser extent perhaps, in West Renfrewshire and North Ayrshire.

But he avers that the environment is perfect in 75 per cent. of the 5,000 square mile region, pretty bad in 20 per cent. and really shocking in only 5 per cent. of the vast area. And he is determined to make more popular than ever before, not just for tourists from other parts of the nation and from abroad, but for the Strathclyders themselves, the 1,300 miles of coastline, vast tracts of countryside: rugged mountains, wooded hills, treasure islands, trout and salmon rivers and lochs, fruit valleys, nature walks — unspoiled resources where there is little or no need to improve environment.

Mr. Oldham was almost lyrical as he described the contrasting, ever-changing scene for the traveller from South-East Lanarkshire to the Falls of Clyde and New Lanark, across into Ayrshire from which coast there are magnificent views of the Clyde estuary islands of Arran, Bute and the Cumbraes, with the Kintyre peninsula and Cowal in the background, up through Renfrewshire and across Erskine Bridge into Dunbartonshire, along Loch Lomondside and into Argyll, turning back at Oban for the long haul via Lochgilphead and Tarbert to Machrihannish, the contrasting islands of Mull, Jura, Islay and Gigha coming into view in turn.

Proud

"That too, is an inheritance of which not only we should be proud but of which we should be much more aware," said Mr. Oldham. "It does not wipe out the industrial dereliction but it does help to negative the effects. It is our job to make the people more mobile—not by car but by other forms of transport and by foot—so that they can appreciate the environmental beauty on their doorsteps. Education, too, must be used to stimulate interest."

First priority of a team of six experts brought together by the Warwickshire-born director is to make a complete assessment of the situation throughout the region. These reports, together with other studies dating back to the Abercrombie Clyde Valley report of 1946, will be scanned carefully before any major plans are prepared.

But the aim will be towards careful, cultural and constructive improvements in the unspoiled areas, leaving the more sophisticated developments to the holiday resorts in which the region abounds, from Girvan in the South to Oban in the North. And it will be a co-operative venture involving not only the Regional and District Councils, but the Scottish Office, the Scottish Tourist Board, the Countryside Commission for Scotland, and, in Argyll, the Highlands and Islands Development Board and the National Trust for Scotland, all of which bodies carry environmental stakes.

But Mr. Oldham, winner of the St. Mungo Prize for helping to make Glasgow more beautiful by bringing the countryside to city folk, and now most anxious that the urban population in a region of 2½m. people should appreciate the natural treasures within easy reach of factory and office, in no way seeks to minimise the enormity of the task of effacing industrial dereliction, so important for the regeneration of the social and economic structure.

He himself has played a most important role in helping the planners in their aim in a vast and costly programme to improve the quality of life in Glasgow, based on a strategy of more efficient use of land and much greater improvement of services with the emphasis on social planning.

Clearance

Considerable advance has been made in cleaning up the approach to the city from the South; with the clearance of eyesores and derelict sites, landscaping and tree-planting in deprived housing areas, notably in the Greater Possil district, a scheme considered to be one of the most ambitious of its kind undertaken in Europe.

Despite setbacks, caused by unexpected demolition and re-building, by unsuccessful experimentation, pedestrian shopping precincts have been established in Sauchiehall and Buchanan Streets; the old Customhouse Quay has been converted into a pleasant riverside haunt and there are plans to extend the Clyde "Pleasureway" from Glasgow Green to Yorkhill Quay. Indeed, it will not be so long before walkways are established each way, one stretching out east along the river and through the £4m. 1,600 acre Strathclyde Regional Park to the very source of the Clyde, the other, down river to the Kelvin where it will turn north, reaching out to the Highlands.

The progressive policy of smoke control in the city is at once in evidence: the outlook on a fine day is crisp and clear when viewed from the high ground both to the south and north of the metropolis when, before the war, it would have been obscured by black-grey smoke pall.

But immense difficulties have yet to be overcome when it is considered that there are 29 comprehensive development areas earmarked over a 5 square mile area—that means a long wait for many residents for the better environment envisaged by the planners.

The most spectacular rehabilitation project for the Region is that planned by the Scottish Development Department on the South bank of the Clyde at Cambuslang. The consultants' projection for this project, embracing both industrial development and recreation is now in the hands of the Secretary of State for Scotland and is expected to be released in the near future.

It envisages in the long term as more ground is released by the British Steel Corporation with the closure of open-hearth furnaces and other obsolete plant, a giant 700 acre industrial estate, flanked by recreational and leisure facilities, along a straightened bank of the Clyde.

The project will become the first major task of the new Scottish Development Agency when it comes into operation late this year. But the project will be launched before then as 90 to 100 acres are already available for development and the Department of Industry are anxious to have bulldozers on the site within weeks, especially in view of the worsening crisis in the steel industry.

The British Steel Corporation already have announced their plans to help promote industry for this development and last week Mr. Ron Smith, the board member responsible in this sphere, led a delegation to the offshore technology conference at Houston, Texas, in a bid to attract American companies with oil or gas interests to the area.

There is little doubt that in the long term Strathclyde will have the right environment to attract the necessary industry to the region; but the task of creating that environment is enormous, costly and time-consuming. That is why it is so important now to utilise to the full, to publicise them, the unsurpassed natural resources available and to make them even more accessible, close as they are to the industrial scene.

For example, if Mr. Oldham succeeds—and the chances are that he will—in repopularisng the Clyde and the Islands further afield, then there will be need to review Caledonian MacBrayne's policy of cutting back on cruising ships, replacing them with ferries designed to carry big commercial vehicles. Surely there should be a need for both types of vessel.

There is an urgent need, too, to co-ordinate rail and coach services so that people can easily reach their favourite leisure and recreation centres, saving expensive car fuel for essential journeys.

All know that the region boasts unrivalled golf courses and other sporting winners like fishing and boating; but too few have discovered what Mr. Oldham describes as the unique lighting to be found on the islands between April and June—a sight especially uplifting on Islay and Mull and equalled elsewhere in the world only in Japan. That's just one exotic example of his total environment.

James Dollan

Transport

CONTINUED FROM PREVIOUS PAGE

donian MacBrayne shipping services on West Coast routes to avoid a 65 per cent. fare increase. Despite this, both passenger and private car fares went up by 25 per cent. from May 1 as well as loose freight charges. To prevent a major rise in basic living costs, the charge for commercial vehicles, which carry much of the food and other necessities to the islands, went up by 5 per cent. Increases also apply to the more remote routes served by David MacBrayne, which currently has a subsidy of £750,000.

Negotiations between the council and the Scottish Transport Group over steamer sailings, notably during the summer cruising season, have been somewhat heated. Recent years have seen the disappearance of the famous Clyde paddle steamers and the last of these, the Waverley, was acquired from the STG for £1 by a group of paddle steamer enthusiasts, who have had the ship overhauled in readiness for a cruising service later this month, but in no way competing with the MacBrayne services. To offset any loss between June 30 and August 31, the Regional Council has made a grant to the private company of £30,000. A similar grant was made to MacBrayne's to maintain the cruising programme of the Queen Mary II based at Oban. When the Council, however, sought to acquire the 49-year-old steamer King George V they were chagrined to learn it had gone to Cardiff, perhaps to become a floating restaurant.

Much thought and hard bargaining will be required to resolve the complex problems facing the council, but the predominantly strong Labour administration believe they will find the answers and implement their election pledges.

David Arthur

MONEY MARKET

Interest rates rise

Bank of England Minimum Lending Rate 10% (Since May 2, 1975)

Short-term interest rates were appreciably stronger in the London money market yesterday, against the background of the weakness in sterling in the foreign exchange market. The one-month sterling certificate yield rose to 10⅝-10⅞ per cent., from 10-9¾ per cent., the three-month to 11$\frac{1}{16}$-10$\frac{15}{16}$ per cent., from 10⅝-10⅞ per cent. and though the one-year was quoted at the previous 12¼-12⅛ per cent., the two-year (highly nominal) rate was 14-12½ per cent., against the previous 13-12½ per cent.

Concern over the economic outlook was a major factor in the uptrend, but a shortage of day-to-day credit also played a part, with the authorities giving a large amount of assistance, through purchases of Treasury bills—perhaps operating on sufficiently great a scale to allow banks to carry on a certain surplus. Banks had carried over a surplus from Tuesday, Government disbursements were greater than revenue transfers to the Exchequer, and there was a fall in the note circulation. The market, on the other hand, faced a net take-up of Treasury bills, the authorities held maturing bank and local authority bills, and gilt-edged settlements were against the market's favour.

Discount houses bid 8-8½ per cent. for secured call loans in the earlier part, but found later balances at 7 per cent. to 8 per cent. In the inter-bank market, overnight loans moved in a range of about 6-8½ per cent.

Rates in the table below are nominal in some cases.

May 14 1975	Sterling Certificates of deposits	Inter-bank	Local Authority deposit*	Local Auth. negotiable bonds	Finance house deposit	Company deposits	Discount market deposits	Treasury bills ⊕	Bank bills ⊕	Fine trade bills ⊕
Overnight	—	8-8½	—	—	—	9½-10¼	7-8½	—	—	—
2 days notice	—	—	9¼-10	—	—	—	—	—	—	—
7 days or 7 days notice	—	8-10½	9-10¼	—	10⅛-11¼	—	8¾	—	—	—
One month	10⅞-10⅝	10¼-11	9½-10½	11½-10½	10⅞-12	—	9-9¼	9⅜-9⅝	10½-10⅝	11¼-12
Two months	10$\frac{15}{16}$-10$\frac{11}{16}$	10⅝-11½	—	11½-10⅝	11-11¼	—	9¼-9⅜	9⅝-9$\frac{11}{16}$	10¾	11¼-12
Three months	11$\frac{1}{16}$-10⅞	10⅝-11¼	10¾-11	11½-10¾	11¼-12	—	9½	9⅝-9¾	10⅞	11½-12
Six months	11⅞-11$\frac{11}{16}$	11⅝-12	11-11½	12-11⅝	—	—	—	—	11¾-12	12½-13½
Nine months	12¼-11$\frac{15}{16}$	11⅞-12⅛	—	13¼-11¾	—	—	—	—	—	—
One year	12⅛-12¼	12¼-12⅞	13¼-13¼	13¼-11¾	—	—	—	—	—	—
Two years	14-12½	12½-14	13½-14	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rate nominally three years 13¾-14¼ per cent.; four years 14-14¼ per cent.; five years 14-14¼ per cent. ⊕ Bank bill rate in table is buying rate for prime paper. Buying rates for four-month bank bills 11¼-11½ per cent.: and four-month trade bills 12½-13 per cent. Approximate selling rate for one-month Treasury bills 9$\frac{5}{16}$-9$\frac{9}{32}$ per cent.: two-month 9$\frac{15}{32}$-9$\frac{5}{16}$ per cent.: three-month 9$\frac{5}{8}$-9$\frac{7}{16}$ per cent. Approximate selling rate for one-month bank bills 10⅛-10¼ per cent.; for two-month 10½ per cent.: and three-month 10½-10⅝ per cent.; for one-month trade bills 10¾-11¼ per cent.; two-month 10¾-11½ per cent.; and three-month 11-11½ per cent.

Finance House Base Rate (published by the Finance Houses Association): 10½ per cent. from May 1. Clearing Bank Deposit Rates for small sums at seven days' notice: 6½ per cent. Clearing Bank Base Rates for lending 9½ per cent. Treasury Bills: Average tender rate of discount 9.4774 per cent.

NEW "HIGHS" AND "LOWS" FOR 1975

NEW HIGHS (88)

COMMONWEALTH & AFRICAN (1)
Nyasa 6pc '78-81

FOREIGN BONDS (1)
Romanian 4pc

AMERICANS (4)
Burroughs Corp. Ford Motor
Chrysler I.B.M. Corp.

CANADIANS (3)
International Nickel Royal Bank Can.
Massey Ferguson

BANKS (2)
Allied Irish Credit Fonce

CHEMICALS (1)
Revertex

STORES (3)
Foster Bros. Wharf Mill
NSS News

ELECTRICALS (2)
Perkin Elmer 4pc Sony Co.
Sangamo Weston

ENGINEERING (6)
Amal. Metal Tyzack (W. A.)
Locker (T.) Ward (T. W.)
Renold Zinc Alloy

FOODS (1)
Linfood

INDUSTRIALS (13)
Barlow Rand Lipton (L.)
Beecham Macfarlane Group
Bridon N.C.R. 4pc '93-98
British Vita Paterson Zochonis
Cassons Do. 'A' N-V
Goodrich (B. F.) Royal Sovereign
Hollnung (S.)

MOTORS (1)
York Trailer

PROPERTY (2)
Brixton Estate Hutchison

SOUTH AFRICANS (1)
Tiger Oats

TEXTILES (1)
Bear Brand

TRUSTS (30)
Alliance Inv. Greenfriar Inv.
Altifund Inc. Inv. in Success
Do. Capital Jersey External
C.L.R.P. Inv. London & Gartmore
City & Internatl. London & Holyrood
Drayton Comm. Cns. London & Montrose
Embankment Trust London & Provincial
English & Scot. Inv. London Scot. Amer.
F.C. Eurotrust London & Strathclyde
F.U.G.I.T. Nippon Fund Sterling
Gen. Consol. Scottish Cities 'A'
General Funds Shires Inv.
Do. Conv. Tribune Inv.
Glendevon Inv. N.M.C. Invs.
Do. 'B' S.W. Canada

RUBBERS (2)
Kulim London Asiatic

TEAS (1)
McLeod Russel

MINES (12)
Kinross Geduld Inv.
Winkelhaak General Mining
West Driefontein Jo'burg Cons.
St. Helena Middle Wits.
Anglo Amer. Gold U.C. Invs.
Anglo-Vaal Ayer Hitam

NEW LOWS (1)

INDUSTRIALS (1)
British Syphon

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	16	255	+ 3	263	118
GKN "New"	Nil/pd.	14	50*	− 1	70*	43*
BATS	25p	12	315	—	337	164
Allied Irish Bks.	25p	11	128	+12	128	45
RTZ	25p	11	203	+ 7	210	80
Beecham	25p	10	277	− 1	294	116
Courtaulds	25p	10	113	+ 1	128	53
Lonrho	25p	10	152	+ 3	155	68
Metal Box	£1	9	274	− 7	294	117
Royal Insurance	25p	9	302	+12	314	125
Shell Transport	25p	9	303	+ 1	315	118
Unilever	25p	9	378	—	402	170
BP	£1	8	448	+ 3	458	190
Burmah Oil	£1	8	29	− 1	100	28
Cons. Gold Fields	25p	8	284	+ 9	286	188

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).
* Premium.

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under the heading "Regional Markets" is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

Albany Inv (20p)	12	......	Gardiner Sons.	11	......	Sheff. Refrshmt.	155	......
Ash Spinning	37	......	Gardner (L.)	58	......	Shiloh Spinn.	23	......
Bertam	17	......	Graig Sh'p (£1)	460	−18	Sindall (Wm.)	45	......
Brady (G.) "A"	62	......	Hallam SL (10p)	7½	......	Vincent (H.)	87½	......
Br'wtrEst. (60p)	138	......	Higsons Brew	78	......	IRISH		
Clover Croft	40	......	Holt Joseph 25p	170	......	Alliance Gas £1	36	......
Craig & Rose £1	315	......	IOM Steam £1	110	......	Carroll (P.J.)	115	......
Dundee Crm. £1	180	......	Kleen-E-Ze	29	......	Clondalkin	60	......
Dundee Ice £1	500	......	Lovell's Ship £1	130	......	Concrete Prods.	70	......
Dyson (R. A.)	29	......	N'thn Goldsm'th	65	......	Goodbody (£1)	39	......
Ellis & McHdy	57	......	PMA	34	......	Helton (Hldgs)	32	......
Evans Frdk (10p)	31	......	Pearce C.H.	58	......	Irish Distillers	68	......
Evered	12½	......	Peel Mills	17	......	Irish Wire Bd.	40	......
Fife Forge	45	......	Richards (10p)	10	......	Jacob	53xd	......
Finlay Pkg (5p)	15	......	Robb Cal. (5p)	56	......	Sunbeam	11	......
Gt. & Reed (50p)	95	−5	Sayers Con 12½p	9	......	Unidare	61	......

BASE LENDING RATES

AFI International	9½%
Allied Irish Banks Ltd.	9½%
Anglo-Portuguese Bank	10 %
Henry Ansbacher	10½%
Banco de Bilbao	9½%
Banco de Jerez	10½%
Bank of Cyprus	‡10 %
Banque du Rhone S.A.	10 %
Barclays Bank	9½%
Barnett, Christie Ltd.	11 %
Bremar Holdings Ltd.	10½%
Brit. Bank of Mid. East	9½%
■ Brown Shipley	10½%
Cayzer, Bowater Co. Ltd.	10½%
Cedar Holdings	11 %
■ Charterhouse Japhet	10½%
C. E. Coates	10½%
Consolidated Credits	12 %
Continental Trade Bk.	9½%
Co-operative Bank	* 9½%
Copleys Bank	11½%
Corinthian Securities	9½%
Credit Lyonnais	9½%
G. R. Dawes	10½%
Duboff Brothers	11½%
Duncan Lawrie	10½%
English Transcont.	11½%
First London Secs.	9½%
■ Antony Gibbs	10 %
Goode Durrant Trust	10 %
Greyhound Guaranty	9½%
Grindlays Bank	10 %
■ Guinness Mahon	10½%
■ Hambros Bank	9½%
Hawtin & Partners	13 %
■ Hill Samuel	§10 %
C. Hoare & Co.	† 9½%
Julian S. Hodge	10½%
Industrial Bank of Scot.	9½%
Jacobs, Kroll	11½%
Keyser Ullmann	10½%
Kinghurst Securities	12 %
Lloyds Bank	9½%
London & European	11½%
London Mercantile	11½%
Midland Bank	9½%
■ Samuel Montagu	9½%
■ Morgan Grenfell	9½%
Morris Wigram Ltd.	11½%
National Westminster	9½%
Northern Comm. Trust	11½%
Norwich General Trust	10 %
Portman Guaranty	11 %
P. S. Refson & Co.	9½%
Rossminster Accept'cs	9½%
Royal Trust of Canada	10½%
E. S. Schwab	11½%
Security Trust Co. Ltd.	11 %
Shenley Trust	11½%
Standard & Chartered	9½%
Sterling Credit	12 %
Stewart Salmon & Co.	9½%
Thames Guaranty	12 %
Trade Development Bk.	9½%
Twentieth Century Bk.	11½%
United Bank of Kuwait	9½%
Wallace Brothers Bank	10½%
Whiteaway Laidlaw	10 %
Williams and Glyn's	9½%
Yorkshire Bank	9½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposit 6¾%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 6¾% and over £25,000 7½%.
‡ Deposit Base Rate 9½%.
§ Demand deposit 7½%.

INSURANCE BASE RATES

† Atlantic Assurance...... 11½%
Cannon Assurance 9½%
† Address shown under Insurance and Property Bond table.

I.G. GOLD INDEX
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CORAL INDEX
Close 324-329

INSURANCE, PROPERTY, BONDS

Yield %

Abbey Life Assurance Co. Ltd.
1, St. Paul's Churchyard, E.C.4. 248 9111
Abbey Eq. May 13 | 26.1 | 29.8 | ...... | —
Eq. Acc Unit May 13 | 21.9 | 23.2 | ...... | —
Prop. Pr. May 6 | 102.7 | 109.1 | ...... | —
Prop. Acc. Unit May 6 | 97.2 | 103.2 | ...... | —
Sel. Pen. Unit May 6 | 103.8 | 109.8 | ...... | —
Selective In May 6 | 59.0 | 62.7 | ...... | —
Conv. Pen Unit May 6 | 53.2 | 56.5 | ...... | —
Conv. Unit May 6 | 104.5 | 110.1 | ...... | —
Money Fd. Unit | 99.0 | 104.3 | ...... | —
Pension Sec. Bond | 100.3 | 105.6 | ...... | —
Pension Man Bond | 105.8 | 111.4 | ...... | —

Albany Life Assurance Co. Ltd.
31, Old Burlington St., W.1. 01-437 5962
G't'd. Mon. Fd. | 95.4 | 100.4 | ...... | —
Do. Accum. | 95.9 | 100.9 | ...... | —
Equity Fund | 117.4 | 123.5 | ...... | —
Do. Accum. | 118.5 | 124.6 | ...... | —
Property Fund | 96.2 | 101.3 | ...... | —
Do. Accum. | 96.9 | 102.0 | ...... | —
Fixed Int. Fund | 95.8 | 100.8 | ...... | —
Do. Accum. | 96.4 | 101.5 | ...... | —
M'ple Inv. Fund | 110.2 | 116.0 | ...... | —
Do. Accum. | 110.8 | 116.6 | ...... | —
G'td Mons. Pen. | 95.9 | 100.9 | ...... | —
Do. Accum. | 96.6 | 101.7 | ...... | —
Prop. Pen. Fund | 97.0 | 102.1 | ...... | —
Do. Accum. | 97.8 | 103.9 | ...... | —
Fixed Int. Pen. | 96.5 | 101.6 | ...... | —
Do. Accum. | 97.2 | 102.3 | ...... | —
M'ple Inv. Pens. | 114.8 | 120.6 | ...... | —
Do. Accum. | 116.4 | 121.5 | ...... | —

AMEV Life Assurance Ltd.
Pavilion Bldgs., Brighton. 0273 21917
AmevManagedBd | 105.7 | 111.8 | ...... | —

Atlantic Assurance Co. Ltd.
Atlantic Hse., Billingshurst. B'hurst 3451
All W'ther Ac Uts | 108.5 | 114.2 | ...... | —
All Weather Cap | 107.0 | 112.6 | ...... | —
Inv'stm't Fd. Uts | 110.0 | ...... | ...... | —
Pension Fd. Units | 97.0 | ...... | ...... | —

Barclays Life Ass. Co. Ltd.
252, Romford Rd., E.7. 01-555 1211
Barclaybonds | 82.3 | 86.8 | +2.2 | —
Current unit value May 14.
* Corrected change.

Beehive ... Brandts Ltd.
... Fenchurch St., E.C.3. 01-626 8599
Brandts Exempt. | 81.0 | 83.4 | ...... | 9.07

Canada Life Assurance Company
... Charles II Street, S.W.1. 01-930 6122
Growth Fd. May 1 | 43.4 | ...... | ...... | —
Retir'mt Fd. May 6 | 96.6 | ...... | ...... | —

Cannon Assurance Ltd.
Olympic Wy Wmbly HA9 0NB. 01-902 8876
Equity Unit | £11.68 | ...... | +0.02 | —
Property Unit | 730 | ...... | ...... | —
Exec. Bald. Unit | 946 | ...... | +1 | —
Exec. Eq'ty Unit | 784 | ...... | +1 | —
Exec. Prop. Units | 968 | ...... | ...... | —
Current unit value May 13.
Balanced Bond | 945 | £10.00 | +0.01 | —
Equity Bond | 784 | 830 | +1 | —
Property Bond | 968 | £10.24 | ...... | —

Capital Life Assurance
... High Rd., Leytonstone E.11. 556 5811
Key Inv. May 14 | 0.8142 | ...... | +0.0165 | —

Charterhse. Japhet Life Ass. Co. Ltd.
... Paternoster Row, E.C.4. 01-248 3999
Energy Bonds | 26.6 | 28.0 | ...... | —
Money Bonds | 25.0 | 26.4 | ...... | —
Managed Bonds | 36.8 | 38.8 | ...... | —
Equity Bonds | 31.6 | 33.4 | ...... | —

The City of Wstminstr. Assur. Soc.
Ringstead House, 6, White Horse Rd., Croydon CR0 2JA. 684 6944
First Unit Mar27 | 70.0 | 73.5 | ...... | —
Growth Unit | ...... | 53.6 | ...... | —
Prop'ty Uns. Apr.30 | 44.5 | 46.8 | ...... | —

The City of Wstminstr. Ass. Co. Ltd.
Ringstead House, 6, White Horse Rd., Croydon CR0 2JA. 684 6944
Invest'm Uns Apr30 | 40.4 | 42.4 | ...... | —
Fulbank Mar27 | ...... | 57.2 | ...... | —
Speculator Mar27 | ...... | 33.1 | ...... | —
Sp. Aud'r Dec31 | 152.0 | 154.6 | ...... | —
Investor Opt. Bd. | 102.4 | 107.7 | ...... | —
Equity Fund | 37.4 | 39.3 | ...... | —

Commercial ... Bond Managed Fund
Performance Apr.30 | 118.1 | ...... | ...... | —
Balance Apr.30 | 117.8 | 124.0 | ...... | —
Guaranteed Apr.30 | 100.0 | ...... | ...... | —

Commercial Union Group
St. Helen's, 1 Undershaft, E.C.3. 01-283 7500
Variable An Acc Ut | 30.66 | ...... | ...... | —
Do. Annuity Uts. | 12.30 | ...... | ...... | —

Confederation Life Insurance Co.
50, Regent Street, W1R 6AY. 01-437 9949
Equity Fund | 88.9 | 93.6 | ...... | —
Managed Fund | 116.9 | 123.1 | ...... | —
Personal Pen. Fnd | 43.5 | 45.8 | ...... | —
Equity Pen. Fund | ...... | 132.8 | ...... | —
Fixed Int. Pen. Fd. | ...... | 118.6 | ...... | —
Managed Pen. Fd. | ...... | 117.3 | ...... | —
Property Pen. Fd. | ...... | 100.0 | ...... | —
Protected Inv Pol | ...... | 243.27 | ...... | —

Cornhill Insurance Co. Ltd.
32, Cornhill, E.C.3. 01-626 5410
Capital Apr. 15 | ...... | 95.5 | ...... | —
G.S. Special Apr. 15 | ...... | 37.5 | ...... | —
MnGthBd Apr.29 | 113.5 | 119.5 | ...... | —

Crescent Life Ass. Co. Ltd.
Brawick Hse., Mdnhd, Berks. Mdnhd 34656
Cres Pfo'linv. Fd. | 61.1 | 66.5 | +3.5 | —

Crusader Insurance Co. Ltd.
Bowring Bldgs., Tower Pl., EC3. 01-626 8031
Gr'th Prop. May 5 | 50.9 | 55.5xb | ...... | —

Eagle Star Insce./Midland Assce.
1, Threadneedle St., E.C.2. 01-588 1212
Eagle/Mid. Units | 33.6 | 34.9 | −0.4 | 7.49

General Portfolio Life Ins. Co. Ltd.
60 Bartholomew Cl., Waltham X. WX 31971
Portfolio Fund | ...... | 108.46 | ...... | —

Growth & Sec. Life Ass. Soc. Ltd.
United House, W.11. 01-229 6166
Flexible Fortune | ...... | 100.0p | ...... | —
Landbank Secs. | ...... | 54.94 | ...... | —
Landbank S'cs A | 97.4 | 100.0 | ...... | —
G&S Super Fund | ...... | 719.66 | ...... | —

Guardian R.E.
Royal Exchange, E.C.3. 01-283 7107
Property Bonds | 126.6 | 131.5 | ...... | —
Pen. Man. Fd. Uts. | 90.6 | 95.4 | ...... | —

Hambro Life Assurance Limited
7, Old Park Lane, London, W.1. 499 0031
Fixed Int. Fund | 105.6 | 111.2 | ...... | —
Hambros Equity | 110.8 | 116.7 | ...... | —
Property | 116.2 | 122.4 | ...... | —
Managed Cap. | 100.2 | 105.5 | ...... | —
Managed Acc. | 112.7 | 118.7 | ...... | —
Pen Prop. Cap. | 129.4 | 136.5 | ...... | —
Pen Prop. Acc. | 149.4 | 157.3 | ...... | —
Pen. Man. Cap. | 133.0 | 140.1 | ...... | —
Pen. Man. Acc. | 153.3 | 161.7 | ...... | —
Pen. F.I. Cap | 106.5 | 112.2 | ...... | —
Pen. F.I. Acc | 111.5 | 117.2 | ...... | —
Pen. B.S. Cap. | 99.1 | 104.4 | ...... | —
Pen. B.S. Acc. | 101.1 | 106.5 | ...... | —

Harvest Assurance Group
48, Church St., Maidstone, Kent. 0622 59861
Annuity Units | ...... | 116.1 | ...... | —
Managed Funds | 46.30 | 48.70 | ...... | —

Hearts of Oak Benefit Society
Euston Road, London, N.W.1. 01-387 5020
Hearts of Oak | 29.0 | 30.8 | ...... | —

Hill Samuel Life Ass. Ltd.
NLA Twr., Addiscombe Rd., Croy. 686 4355
Hill Sam Prop Units | 117.7 | 123.7 | ...... | —
Do. Man. Unit | 110.0 | 115.8 | −0.2 | —
Do. Money Fund | 101.4 | 106.8 | +0.1 | —

Imperial Life Ass. Co. of Canada
Imperial Life House. Guildford 71255
Gro'th Fd. May 9 | 47.2 | 51.3 | ...... | —
PenGth. Fd. May 9 | 39.0 | 42.4 | ...... | —

The Individual Life Ins. Co. Ltd.
Individual Hse., 6, South St., Eastbourne BN21 4UT. Eastbourne 36711
Fixed Int. Units | 115.4 | 121.6 | ...... | —
Equity Units | 101.3 | 106.7 | ...... | —
Property Units | 103.8 | 109.4 | ...... | —
Managed Units | 114.4 | 120.5 | ...... | —
Money Funds | 100.1 | 105.4 | ...... | —
K & S Gilt Bond | 111.0 | 115.3 | ...... | —
Commodity | 99.4 | 104.7 | ...... | —
Growth | 99.0 | 104.2 | ...... | —
Capital | 103.6 | 109.1 | ...... | —
Income | 95.4 | 100.4 | ...... | —
International | 119.3 | 125.6 | ...... | —
Foreign Fixed Int | 105.6 | 112.4 | ...... | —
Foreign Equity | 101.3 | 107.8 | ...... | —

Investment Annuity Life Assur.
9, Devereux Court, W.C.2. 01-353 5897
Lion Equity Fd. | ...... | 95.6 | ...... | —
Lion Equity Fd Acc | ...... | 102.0 | ...... | —
Lion Prop. Fund | ...... | 54.4 | ...... | —
Lion High Yield | ...... | 54.9 | ...... | —
High Equity Pen | ...... | 98.6 | ...... | —
Lion Prop. Pen'n | ...... | 57.4 | ...... | —
Lion High Yd Pen | ...... | 64.0 | ...... | —
Lion Mg'd Grth Fd | 49.5 | 52.3 | ...... | —
Lion Mg'd Cap Fd | 43.4 | 45.9 | ...... | —

Irish Life Assurance Co. Ltd.
11, Finsbury Square, E.C.2. 01-628 8253
Blue Chip Fd. May 1 | 52.3 | 55.0 | ...... | 4.40
Managed Fund | 125.6 | 132.2 | ...... | —
Prop Module May 1 | 135.7 | 142.8 | ...... | 5.41
Prop Mod. Growth | 135.7 | 142.8 | ...... | 5.26

King & Shaxson Ltd.
52, Cornhill, E.C.3. 01-623 5433
Bond Fund Exempt | £110.29 | ...... | ...... | —
Next sub. day May 21.
K & S Gilt Bonds | 111.0 | 113.3 | ...... | —

Langham Life Assurance Co. Ltd.
Migdal Hse., Finsbury Sq., EC2. 01-628 8851
Midas Bonds | 48.8 | 51.4 | ...... | —
Property Bond | 101.2 | 106.5 | ...... | —
Prop'y Units (LIB) | 21.3 | 22.4 | ...... | —
WISP (SP) Man Fd | 53.4 | 56.2 | ...... | —

Life & Equity Assurance
1 Olympic Wy, Wembley, Mx HA9 0NB. 01-902 8876
Sel. Inv. | 25.5 | 35.0 | ...... | —
Second Sel. | 19.0 | 20.5 | ...... | —
Secure Retirement | 28.0 | 30.0 | +8.5 | —
Gilt Fund | 24.0 | 26.0 | ...... | —
Equity Fund | 19.0 | 20.5 | ...... | —
Deposit Fund | 100.0 | 105.0 | ...... | —
Selective Anty Fd. | 66.0 | 70.0 | ...... | —

Life Assur. Co. of Pennsylvania
39-42, New Bond St., W1Y 0RQ. 01-493 8395
LACOP Units | 778 | 817 | ...... | —

Lloyd's Life Assurance Ltd.
12, Leadenhall St., EC3M 7LS. 01-623 6621
Mlt. Gth Fd May 5 | 1.36409 | ...... | ...... | —
Opt4 Eq Fd May 10 | 90.7 | 95.5 | ...... | —
Opt4 Prop. May 10 | 102.6 | 108.1 | ...... | —
Opt4 Hi Yd Apr 26 | 109.1 | 114.8 | ...... | —
Opt4 Mn Fd My 10 | 103.3 | 108.8 | ...... | —
Opt4 Dep Fd My 15 | 100.9 | 106.3 | +8.3 | —
Pen Man Fd May 15 | 121.6 | 128.1 | +4.1 | —
Pens Eq. Fd May 15 | 160.2 | 168.7 | +21.0 | —
Pen Prop Fd May 15 | 103.6 | 109.1 | +0.4 | —
Pen Fxd Int May 15 | 115.0 | 121.1 | −2.1 | —
Pen Dep Fd May 15 | 107.8 | 112.7 | +1.0 | —

London Equity Assurance Ltd.
Worthing Rd., Horsham. Horsham 64111
Managed Cap Uts | 48.0 | 51.0 | ...... | —

M. and G. Group
3 Quays, Tower Hill EC3R 6BQ. 01-626 4588
Equity Bds May 8 | 92.2 | 96.0 | ...... | —
Family '76 May 8 | ...... | 110.2 | ...... | —
Do. 1977-80 May 8 | ...... | 86.8 | ...... | —
Do. 1981-86 May 8 | ...... | 110.7 | ...... | —
Intern Bds May 8 | 68.9 | 72.4 | ...... | —
M&G Mngd May 9 | 94.8 | 99.6 | ...... | —
Pers'nal Pn May 9 | 122.1 | 125.8 | ...... | —
Property May 8 | 105.1 | 110.4 | ...... | —
Conv Bond May 14 | 99.7 | 102.7 | +0.1 | —

Magna Assurance Company Ltd.
13 Chequers Sq. Uxbridge, Mdx. Uxb. 52181
Building Soc. Bond | ...... | 105.1 | ...... | —
Magna Man'd Fd. | ...... | 117.8 | ...... | —

Mnfrs. Life Insur. Co. (U.K.) Ltd.
St. George's Way, Stevenage. Svg. 56101
Manulife Inv Bd. | 27.6 | 29.0 | ...... | —

Merchant Investors Assurance
125, High Street, Croydon. 01-686 9171
Conv. Dp. Fd. | ...... | 108.4 | ...... | —
Money Market B | ...... | 113.4 | ...... | —
Mer. Inv. Man Fd | ...... | 88.8 | ...... | —
Mer. Inv. Pty Bd | ...... | 99.9 | ...... | —
Equity Bond | ...... | 53.7 | ...... | —
Prop. Pens. | ...... | 96.3 | ...... | —
Man. Pens. | ...... | 94.9 | ...... | —
Equity Pens. | ...... | 132.4 | ...... | —
Conv. Dep. Pens | ...... | 105.8 | ...... | —
Mon. Mkt. Pens. | ...... | 117.6 | ...... | —

NEL Pensions Limited
Milton Court, Dorking, Surrey. 5911
Nelex Accm. Units | 67.5 | 71.0 | −1.7 | —
Nelex Capital | 51.8 | 54.6 | ...... | —
Next subscription day May 25

New Zealand Insce. Co. (U.K.) Ltd.
Warrior Sq., Southend. 0702-62955
Kiwi Key Invest. | 99.5 | 102.3 | ...... | —

NPI Pensions Management Ltd.
48 Gracechurch St., EC3P 3HH. 01-623 4389
Managed Fund | 97.4 | 101.5 | ...... | —
*Prices on May 1. Next dealing June 2.

Norwich Union Insurance Group
P.O. Box 4, Norwich, NR1 3NG. 0603 22200
N'rwich Magd Fd My 14 | 121.8 | 128.2 | +2.3 | —
N'rwich Eq'ty Fd My 14 | 179.3 | 188.7 | +5.8 | —
N'rwich Prpy Fd My 14 | 97.0 | 102.1 | +0.1 | —
N'rwich Fd Int Fd My 14 | 95.1 | 100.1 | +0.9 | —
Norwich Unit Apr. 15 | ...... | 103.1 | ...... | —

Oaklife Assurance Ltd.
46, Windsor Rd., Slough. Tel. 35918
Oaklife Man. Fd. | 119.9 | 126.1 | ...... | —

Phoenix Assurance Co. Ltd.
4-5 King William St., EC4P 4HR. 01-626 9876
Wl'th Ass'd Bond | 79.4 | 83.7 | −0.7 | —
Eb'r Phx Ass May 1 | 49.9 | ...... | ...... | —
Eb'r Px E.B. Ap. 30 | 50.4 | 52.9 | ...... | —

Prop. Equity & Life Assce. Co.
119, Crawford Street, W1H 2AS. 01-486 0857
R. Silk Prop. Bd. | ...... | 144.2 | ...... | —
Do. Man. Bd. | ...... | 70.9 | ...... | —
Do. Equity Bond | ...... | 80.5 | ...... | —
Do. Flx M'y Bd Fd | ...... | 113.3 | ...... | —
Do. Bal. Ag. Ser'll | ...... | 97.1 | ...... | —

Property Growth Assur. Co. Ltd.
111, Westminster Bridge Rd. 01-928 0381
Property Growth | ...... | 143.0 | ...... | —
Agricultural | ...... | 460 | ...... | —
Abbey Nat. Pg. | ...... | 126.6 | ...... | —
Shenley Inv. | ...... | 54.6 | ...... | —
Shenley Equity | ...... | 128.3 | ...... | —
Shenley Money | ...... | 110.3 | ...... | —
Retire Annuity | ...... | 121.0 | ...... | —
Immed. Annuity | ...... | 108.0 | ...... | —

Prudential Pensions Limited
Holborn Bars, EC1N 2NH. 01-405 9222
Equity Fd. Apr. 16 | £12.72 | 13.11 | ...... | —
Fixed Int. Apr. 16 | £11.58 | 11.77 | ...... | —
Prop'ty Gd. Apr. 16 | £16.77 | 17.29 | ...... | —

Reliance Mutual
Tunbridge Wells, Kent. 0892 22271
Rel. Prop. Bonds. | ...... | 159.0 | ...... | —

Royal Insurance Group
1, North John St., Liverpool. 051-236 9622
Royal Shield Fund | 89.9 | 95.1 | ...... | —

Save & Prosper Group
4, Gt. St. Helen's, London, E.C.3. 588 1717
Bal'nced Inv. Fd. | 90.1 | 94.9 | −0.3 | —
**Property Fnds | 100.0 | 105.5 | ...... | —
*Deposit Fund | 103.4 | 108.9 | ...... | —
Equity Pens'n Fd | 103.8 | 109.3 | −1.9 | —
***Pr'p Pens. Fund | 117.3 | 123.5 | ...... | —
‡Comp'y Pens Fnd | 123.6 | 130.2 | +2.5 | —
*Prices on May 8. **Apr. 16. ***May 6. ‡ Weekly valuations. † Price monthly.

Saveguard Assurance Limited
Swan Court, Petersfield, Hants. Ptrsfld. 3281
Investment Fnd | 97.0 | 102.5 | ...... | —

Schroder Life Group
18-24, Maltravers St., W.C.2. 01-836 3883
Fixed Interest Fd | 100.6 | 105.9 | ...... | —
Flexible Fd May 8 | 89.0 | 93.7 | ...... | —
Equity Fd. Apr. 29 | ...... | 131.9 | ...... | —
Do. Second Series | 143.4 | 151.0 | ...... | —
Pen. Fn/Cap Ap. 10 | 115.2 | 121.3 | ...... | —
Pen. Fund Acc. | 121.1 | 127.6 | ...... | —
Prop. Fd. May 7 | 95.8 | 100.9 | ...... | —
Deposit Fd May 2 | 95.9 | 101.0 | ...... | —

Scot. Widows' Fnd. & Life Ass. Soc.
9, St. Andrew's Sq., Edinburgh EH2 2YD
Investor Ply May 1 | 264.1 | 272.0 | ...... | —

Slater Walker Insurance Co. Ltd.
30, Uxbridge Rd., W.12. 01-749 9111
Selected Mark't Fd | 68.9 | 73.0 | ...... | —

Sun Life of Canada (U.K.) Ltd.
2, 3, 4, Cockspur St., SW1Y 5BH. 930 5400
Maple Leaf Apr. 30 | ...... | 120.8 | ...... | —
Personal Pen. Fnd. | ...... | 119.4 | ...... | —

Target Life Assurance Co. Ltd.
Target House, Gatehouse Rd., Aylesbury, Bucks. Aylesbury 0296 5941
Mangd. Fund Inc. | 87.2 | 93.2 | ...... | —
Mangd. Fund Acc. | 92.0 | 97.3 | ...... | —
Prop. Fund Inc. | 87.7 | 93.2 | ...... | —
Prop. Fund Accum | ...... | 101.0 | ...... | —
Prop. Fund Invest | ...... | 88.0 | ...... | —
Fixed Int. Acc. Inc. | 105.0 | 110.5 | ...... | —
Dep. Fund Acc Inc | 99.7 | 105.1 | ...... | —
Ret Plan. Acc. Pen. | 56.7 | 59.6 | −0.5 | —
Ret Plan Cap. Pen. | 50.2 | 53.7 | −0.5 | —

Transinternational Life Ins. Co. Ltd.
2 Breams Bldgs., London, EC4A 1NU. 01-405 6497
Tulip Invest Fd. | 104.5 | 109.8 | ...... | —

The Trident Life Assur. Co. Ltd.
Renslade House, Gloucester. 0452 36541
Trident Man. Fd. | 105.6 | 111.2 | −0.2 | —
Tridnt Gur Ma Fd | 112.5 | 118.3 | +0.5 | —
Trident Prop Fd | 106.8 | 112.5 | ...... | —
Tridnt Equity Fd | 82.1 | 86.5 | −0.2 | —
Tridnt H'nh'd Fd | 110.0 | 115.8 | +0.1 | —
Tridnt Money Fd | 102.5 | 107.9 | +0.2 | —
Trident Fiscl Fd | 99.6 | 105.0 | ...... | —
Trident Bd Apr. 7 | 44.0 | 46.5 | ...... | —
Gilt Edged | ...... | 89.4 | ...... | —
Cash value for £100 premium.

Tyndall Group
18, Canynge Road, Bristol. 0272 32241
3-way Fd. Apr. 24 | ...... | 94.4 | ...... | —
Do. Pen. Apr. 24 | ...... | 104.0 | ...... | —
Equity Fd Apr. 24 | ...... | 107.4 | ...... | —
Bond Fd. Apr. 24 | ...... | 128.6 | ...... | —
Prop. Fd. Apr. 24 | ...... | 84.8 | ...... | —
G't'd Bd. Apr. 24 | ...... | 119.4 | ...... | —
Perf. Bd. Apr. 24 | ...... | 41.4 | ...... | —
Deposit Fd Apr. 24 | ...... | 106.6 | ...... | —
Ov 3wy Fd Apr 30 | 79.4 | 82.0 | ...... | —
Ov. In. Fd. My 7 | 59.8 | 61.8 | ...... | —
Per. Pen Fnd May 1 | ...... | 67.2 | ...... | —
3wy Md Pn Fd My 1 | ...... | 110.0 | ...... | —
Eqty Pen Fd May 1 | ...... | 145.8 | ...... | —
Bond Pen Fd May 1 | ...... | 119.8 | ...... | —
Prop Pen Fd May 1 | ...... | 66.4 | ...... | —

Vanbrugh Life Assurance
41-43 Maddox St. Ldn. W1R 9LA. 01-499 4923
Managed Fund | 96.5 | 101.6 | −0.7 | —
Equity Fund | 129.8 | 136.5 | −1.8 | —
Fixed Int. Fund | 101.8 | 107.0 | ...... | —
Property Fund | 102.7 | 108.2 | ...... | —
Managed Cash Fd | 99.2 | 104.5 | ...... | —

Welfare Insurance Company Ltd.
The Leas, Folkestone, Kent. 0303 57333
Capital Gr'th Bd. | ...... | 125.3 | ...... | —
Exempt Flex. Fd. | ...... | 82.5 | ...... | —
Exempt Prop. Fd. | ...... | 71.4 | ...... | —
Expt. Inv. Tst. Fd. | ...... | 96.0 | ...... | —
Flexible Fund | ...... | 78.9 | ...... | —
Inv'sml Tst. Fd. | ...... | 95.6 | ...... | —
Money Maker Fd | ...... | 76.0 | ...... | —
Property Fund | ...... | 73.6 | ...... | —

Windsor Life Assce. Co. Ltd.
1, High Street, Windsor. Tel. 68144
Life Investor Plans | 45.7 | 48.1 | ...... | —
Future Ass'd Gr'th | ...... | 54.0 | ...... | —
Retmt Ass'd Gr'th | ...... | £10.22 | ...... | —
Flex. Inv. Growth | 98.0 | 103.2 | ...... | —

NOTES
Yields allow for all buying expenses. Price in pence except where otherwise indicated. † Single premium insurance bonds. ♥ Net of tax on realised capital gains.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and The Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section

No.	Group	Wed. May 14 Index No.	Day's Change %	Est. Earnings Yield % (Max. Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Tuesday May 13 Index No.	Monday May 12 Index No.	Friday May 9 Index No.	Thurs. May 8 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (181)	119.72	−1.5	19.76	6.73	7.42	7.41	121.59	122.87	120.25	118.70	109.98	129.01 (23/4)	51.78 (6/1)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	105.75	−3.0	21.35	7.43	7.17	7.16	109.05	111.35	108.50	105.92	111.44	117.40 (22/4)	45.11 (6/1)	253.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	230.61	−2.2	17.98	4.21	8.20	8.19	235.70	240.80	235.92	229.80	185.90	251.61 (23/4)	74.74 (6/1)	389.33 (19/5/72)	71.48 (12/12/74)
4	Electricals (16)	206.83	−1.6	16.11	5.69	7.96	7.94	210.12	211.90	206.11	203.08	204.90	229.55 (23/4)	98.49 (2/1)	350.04 (4/5/72)	84.71 (25/6/66)
5	Engineering (Heavy) (13)	145.08	−1.2	22.10	7.44	6.79	6.79	146.85	145.99	142.65	141.37	115.13	159.79 (22/4)	64.59 (2/1)	202.57 (8/6/73)	64.39 (2/1/75)
6	Engineering (General) (65)	105.13	−0.7	20.81	7.57	7.02	7.01	105.89	106.55	105.25	105.11	89.36	110.07 (23/4)	45.43 (6/1)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (11)	47.04	+0.4	13.06	9.97	13.51	13.50	46.87	47.58	46.06	45.44	56.86	47.58 (12/5)	20.11 (2/1)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (23)	110.56	−0.8	18.28	7.04	7.21	7.19	111.40	111.58	108.75	107.09	99.41	114.48 (23/4)	49.66 (6/1)	177.41 (27/4/72)	49.66 (6/1/75)
9	CONSUMER GOODS (DURABLE) (59)	82.14	−1.9	21.80	7.32	6.70	6.69	83.75	86.07	84.26	85.52	96.55	90.59 (22/4)	38.39 (6/1)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	90.57	−2.5	23.47	5.62	6.19	6.18	92.71	94.93	93.47	92.19	121.54	105.62 (10/3)	44.28 (6/1)	257.41 (12/5/72)	42.85 (13/12/74)
11	Household Goods (15)	133.99	−1.9	32.39	7.94	4.45	4.45	136.62	136.09	134.98	134.58	188.10	146.90 (23/4)	64.53 (6/1)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (29)	46.16	−1.3	14.75	9.93	10.20	10.15	46.77	47.43	47.54	47.11	47.50	50.55 (22/4)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (164)	132.74	−1.6	15.33	6.16	9.23	9.22	134.95	138.14	136.48	135.90	118.68	141.55 (22/4)	61.98 (6/1)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (16)	141.13	−3.5	14.81	7.00	10.02	10.02	146.31	151.07	148.76	146.92	140.63	156.35 (22/4)	75.58 (6/1)	281.87 (22/11/72)	69.47 (13/12/74)
15	Wines and Spirits (8)	154.81	−1.3	13.96	6.06	10.55	10.55	156.84	157.67	151.54	152.27	160.87	157.59 (22/4)	80.42 (6/1)	257.40 (15/1/73)	76.88 (13/12/74)
16	Entertainment, Catering (16)	139.90	−2.9	15.80	8.04	9.12	9.12	144.07	148.35	145.05	146.53	138.36	149.02 (23/4)	55.28 (6/1)	329.99 (12/12/72)	54.83 (9/1/75)
17	Food Manufacturing (22)	146.24	−1.3	14.01	5.34	9.88	9.84	148.14	148.83	144.99	141.73	116.55	148.83 (12/5)	62.03 (2/1)	211.65 (14/11/73)	59.67 (11/12/74)
18	Food Retailing (16)	134.60	−1.2	11.38	4.61	13.05	13.05	136.18	136.79	137.40	133.89	107.78	145.54 (23/4)	57.15 (2/1)	235.09 (15/6/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	135.19	−1.5	20.43	7.07	7.34	7.34	137.25	139.35	137.78	135.60	162.16	146.73 (23/4)	55.08 (6/1)	260.29 (11/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	101.24	−1.7	21.57	6.51	6.72	6.72	102.98	106.45	99.36	97.71	79.92	106.45 (12/5)	43.46 (6/1)	135.69 (26/4/72)	43.46 (6/1/75)
21	Stores (30)	119.96	−1.1	11.60	5.35	12.77	12.77	121.24	125.47	124.74	123.99	95.31	129.59 (22/4)	52.63 (6/1)	204.59 (16/8/72)	52.63 (6/1/75)
22	Textiles (19)	131.14	−2.1	27.21	7.67	4.27	4.26	133.92	135.60	130.61	129.47	153.08	142.59 (17/4)	62.91 (6/1)	253.72 (17/9/65)	62.66 (11/12/74)
23	Tobacco (3)	177.39	−1.4	19.66	7.51	7.46	7.46	179.99	187.19	182.18	179.52	183.01	199.16 (10/5)	109.92 (6/1)	339.16 (2/5/72)	94.34 (13/6/62)
24	Toys and Games (6)	41.56	−0.7	26.80	7.42	5.10	5.10	41.85	41.85	41.37	41.37	43.89	43.61 (23/4)	20.92 (6/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (92)															
25	Chemicals (25)	165.46	−1.0	21.37	5.44	6.65	6.65	165.15	169.35	163.63	161.71	143.00	169.35 (12/5)	73.14 (6/1)	201.92 (31/1/69)	71.20 (11/12/74)
26	Office Equipment (10)	93.54	−2.2	15.16	5.62	8.80	8.80	95.60	94.78	93.04	92.71	117.28	104.78 (17/4)	45.34 (2/1)	246.06 (1/5/72)	45.34 (2/1/75)
27	Shipping (11)	355.57	−1.0	24.57	6.63	4.86	4.73	359.31	365.05	355.83	344.23	380.09	401.84 (10/3)	194.58 (6/1)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (46)	140.83	−1.8	17.65	6.86	7.94	7.94	143.46	145.92	143.44	141.09	133.71	148.14 (23/4)	60.59 (6/1)	258.85 (2/5/72)	60.59 (6/1/75)
29	INDUSTRIAL GROUP (496)	129.62	−1.6	17.62	6.31	7.97	7.95	131.68	134.20	131.36	129.72	120.74	137.57 (23/4)	59.19 (6/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	260.34	−0.5	28.27	5.92	3.79	3.54	259.11	265.56	256.00	242.12	242.76	265.56 (12/5)	105.85 (2/1)	451.66 (29/5/69)	87.25 (29/5/62)
31	500 SHARE INDEX	140.66	−1.3	19.33	6.25	6.68	6.74	142.46	145.30	141.93	140.06	151.11	146.95 (23/4)	63.49 (6/1)	227.95 (16/2/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	135.27	−1.5	—	5.31	—	—	137.29	140.36	138.81	137.49	122.97	147.98 (23/4)	56.50 (6/1)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	142.88	−2.5	26.15	5.50	5.69	5.69	146.57	152.56	150.77	149.38	142.44	163.66 (23/4)	62.56 (2/1)	288.52 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	136.44	−0.9	—	8.16	—	—	137.19	136.92	137.09	137.99	139.03	169.27 (7/3)	64.13 (6/1)	293.13 (2/5/72)	81.40 (10/12/74)
35	Hire Purchase (5)	101.35	−2.2	24.58	9.04	5.41	4.96	103.59	108.88	110.35	108.09	221.95	134.59 (10/3)	42.81 (6/1)	433.72 (4/2/72)	38.85 (11/12/74)
36	Insurance (Life) (9)	110.15	−1.6	—	6.09	—	—	111.94	113.50	112.51	109.44	99.52	127.97 (23/4)	44.58 (2/1)	194.46 (15/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	109.52	−0.1	—	5.97	—	—	109.64	112.73	110.98	110.41	81.76	114.39 (29/4)	44.47 (2/1)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (8)	194.45	−0.8	10.17	4.36	14.49	14.49	192.98	193.40	187.37	185.44	168.78	194.45 (14/5)	68.96 (7/1)	262.57 (12/12/73)	65.86 (16/12/74)
39	Merchant Banks (19)	84.65	−1.5	—	7.57	—	—	85.94	86.79	84.76	84.40	112.26	94.97 (7/5)	31.21 (7/1)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	218.95	−2.5	4.15	2.66	34.63	33.31	224.22	225.23	225.48	223.68	168.76	241.22 (22/4)	88.19 (7/1)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (5)	70.29	−0.2	16.15	9.24	8.69	8.59	70.46	71.62	69.23	68.05	101.80	75.78 (23/4)	34.78 (10/1)	303.13 (16/5/72)	33.29 (17/12/74)
42	Investment Trusts (50)	171.14	−0.7	2.94	4.01	34.05	34.05	172.35	172.77	167.67	165.32	132.32	172.77 (12/5)	73.43 (6/1)	245.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	140.27	−1.5	—	5.92	—	—	142.08	144.81	141.74	139.98	128.57	147.45 (23/4)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (10)	512.26	−0.3	10.00	6.35	11.77	11.32	510.55	515.72	506.19	501.55	407.77	515.72 (12/5)	281.66 (2/1)	555.37 (25/7/73)	84.68 (25/6/65)
45	Teas (10)	88.19	−0.7	21.91	9.07	5.75	5.36	88.83	88.83	88.73	88.46	105.66	88.83 (12/5)	76.76 (10/1)	121.47 (1/5/73)	59.72 (17/10/74)
46	Coppers (3)	452.73	−0.4	43.38	16.68	2.31	2.31	454.49	453.09	451.33	454.13	418.28	450.26 (22/4)	374.38 (22/1)	567.78 (13/7/73)	94.03 (29/4/62)
47	Mining Finance (11)	132.39	−0.6	9.05	3.98	11.98	11.98	133.20	133.28	129.45	127.16	114.00	133.28 (12/5)	80.58 (22/1)	175.90 (22/4/69)	66.31 (30/9/74)
48	Tins (8)	106.00	−1.0	9.62	7.82	13.39	11.50	104.92	103.98	99.21	99.21	100.90	106.00 (14/5)	58.91 (6/1)	125.43 (11/1/73)	54.83 (27/5/71)
49	Overseas Traders (13)	236.34	−0.3	14.08	3.67	9.00	8.96	237.14	239.73	231.20	228.45	—	239.73 (12/5)	97.37 (6/1)	239.73 (12/5/75)	97.37 (6/1/75)

No.	FIXED INTEREST	Wed., May 14 Index No.	Wed., May 14 Yield %	Tuesday May 13	Monday May 12	Friday May 9	Thurs. May 8	Wed. May 7	Tuesday May 6	Monday May 5	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	15.17	15.28	15.51	15.26	15.13	15.56	15.47	15.68	14.01	—	—	—	—
2	20-yr. Govt. Stocks (6)	46.91	‡13.79	46.79	46.25	46.86	47.15	46.50	45.99	45.65	51.97	53.09 (20/5)	38.27 (3/1)	115.42 (11/9/65)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	45.18	‡16.26	45.18	45.32	45.60	45.32	45.32	45.36	45.75	47.98	50.68 (21/3)	37.01 (3/1)	113.43 (25/10/65)	37.01 (3/1/75)
4	Investment Trusts Prefs. (15)	41.75	16.59	41.75	42.20	42.20	42.20	42.12	42.12	42.12	45.71	46.57 (25/3)	36.35 (3/1)	114.41 (15/8/63)	34.46 (4/12/74)
5	Coml. and Indl. Prefs. (20)	57.93	16.26	57.82	58.02	58.31	58.23	57.83	57.74	58.37	59.58	66.98 (20/5)	46.35 (3/1)	114.95 (1/10/63)	47.67 (6/1/75)

Section or Group	Base Dates	Base Value	Section or Group	Base Dates	Base Value
Overseas Traders	31/12/74	100.00	Miscellaneous Financial	31/12/70	120.86
Engineering (Heavy)	31/12/71	153.84	Food Manufacturing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Wines and Spirits	16/1/70	144.76	Insurance Brokers	29/12/67	96.67
Toys and Games	16/1/70	135.72	Mining Finance	29/12/67	100.00
Office Equipment	16/1/70	152.74	All Other	10/4/62	100.00
Industrial Group	31/12/70	128.20			

‡ Redemption yield. FT-Actuaries Indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A new list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 16p Commonwealth 18p, Foreign 22p.

Option Report—3-month Call rates

OPTION DEALING DATES			
First Dealings	Last Dealings	Last Declaration	For Settlement
May 13	May 27	Aug. 7	Aug. 19
May 28	Jun. 9	Aug. 20	Sept. 2
Jun. 10	Jun. 23	Sept. 4	Sept. 16

Slack conditions in the Option market produced "calls" in Premier Oil, Lesney Products, Long John, House of Fraser, Allied Investments, Coalite and Chemical, National Westminster Bank warrants and Plessey. A "put" was done in EMI, while "doubles" were arranged in Lloyds Bank, Coalite and Chemical, Cavenham warrants, Grand Metropolitan warrants and Consolidated Gold Fields.

Industrials		Grand Met.	10	Slater Walker	14	Mines	
		G.U.S. 'A'	20	Spillers	7	Anglo Amer.	45
A. P. Cement	20	Guardian	20	Tesco	6	Broken Hill Prp	65
Assoc Leisure	5	G.K.N.	25	Thorn 'A'	25	East	9
Barclays Bank	35	Hawker Sidd.	25	Tube Invest.	30	Charter Cons.	20
Beecham	24	House of Fraser	10	Unilever	40	Chart'rh'll Fin.	7
Boots Drug	24	Hudson (Wllms)	5	Utd. Drapery	12	Cons Gold	22
Bowaters	17	I.C.I.	22	Vickers	18	De Beers Def.	20
B.A.T.	35	"Imps"	7	Woolworths	6	F. S. Geduld	200
British Leyland	1¾	I.C.L.	7			Great Boulder	56
British Oxygen	6	Inveresk	10	Property		Hampton Areas	10
Burton 'A'	9	Legal & General	17	Cap. Counties	7	Hampton Prop.	4
Cadburys	6	Lloyds Bank	30	E.P.	9	Kloof	140
Courtaulds	12	"Lofs"	9	Int. Europe	7	Lonrho	20
Debenhams	11	"Mams"	9	Land Securities	22	Loraine	55
Distillers	15	Marks & Sp'ncer	22	Peachey	7	Metals Explor.	8
Dunlop	6	Midland Bank	32	Town & City	7	Poseidon	55
Eagle Star	16	Nat'l West Bank	30	Town & Comm.	7	Pres. Steyn	225
E.M.I.	14	P & O Dfd.	16			Rio T. Zinc	20
First National	3½	Plessey	8	Oils		Welkom	65
G.R.A. Trust	7	R.H.M.	7	Brit. Petroleum	45	West Areas	55
Gen. Accident	16	Rank Org. 'A'	25	Burmah Oil	11	Western M'ng.	15
Gen. Electric	14	Reed Int'l.	25	Shell	26	Zambia Copp	7
Glaxo	40			Ultramar	17		

LEADERS AND LAGGARDS

The following table shows the percentage changes* which have taken place since December 31, 1974, in the principal equity sections of the F.T.-Actuaries Share Indices. It also contains the F.T. Gold Mines Index.

Contracting and Construction	+199.63	500 Share Index	+108.27
Insurance (brokers)	+160.65	Industrial Group	+106.56
Merchant Banks, Issuing Houses	+143.46	Household Goods	+105.23
Insurance (Composite)	+138.32	Consumer Goods (Non-durable) Group	+103.18
Entertainment and Catering	+135.12	Motors and Distributors	+100.30
Insurance (Life)	+130.85	Electricals	+ 99.22
Property	+127.29	Textiles	+ 99.20
Newspapers and Publishing	+127.24	Office Equipment	+ 99.04
Food Manufacturing	+127.21	Consumer Goods (Durable) Group	+ 98.46
Investment Trusts	+125.68	Electronics, Radio and TV	+ 95.04
Food Retailing	+125.23	Wines and Spirits	+ 84.91
Building Materials	+124.94	Toys and Games	+ 81.72
Financial Group	+124.04	Breweries	+ 79.52
Hire Purchase	+122.68	Rubbers	+ 77.51
Capital Goods Group	+119.36	Tins	+ 73.62
Oil	+119.32	Shipping	+ 67.47
Engineering (General)	+117.25	Discount Houses	+ 58.05
Engineering (Heavy)	+116.02	Mining Finance	+ 51.11
Machine Tools	+115.99	Tobacco	+ 53.73
Packaging and Paper	+114.99	Coppers	+ 19.88
Stores	+114.77	Teas	+ 14.60
Banks	+112.51	Gold Mines F.T.	+ 11.23
All-Share Index	+112.41		
Chemicals	+109.82		

* Percentage changes based on Tuesday, May 13, 1975 indices.

Oil rig yard 'run-down' talks start to-day

BY OUR DARLINGTON CORRESPONDENT

THE FIRST round of talks on a possible cut in workers at the Hartlepool Teesside base of Laing Offshore, the leading North-East oil rig construction yard, takes place to-day.

A joint committee representing the four main unions at the yard, which employs 1,650, is meeting the management after a company announcement that it was considering a run-down.

The yard is nearing completion of a £20m. platform—Graythorpe Two—for BP, leaving one order in hand—a contract for the Signal oil and gas company for a platform for its Thistle field. This platform is of a simpler design to the previous two structures built at the yard and is less labour intensive.

Laing said that it expected any run-down to be carried out by natural wastage.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	44	—	9
Corpns. Dom. and Foreign Bonds	19	5	47
Industrials	179	552	1,017
Financial and Prop.	61	209	348
Oils	6	14	12
Plantation	4	8	38
Mines	57	21	73
Recent Issues	6	18	28
Totals	376	827	1,572

BOND DRAWING

ARBED S.A.

Aciéries Réunies de Burbach, Eich, Dudelange Société Anonyme
6¼% 1967/79 Loan of $US10,000,000

The third annual instalment of bonds to a nominal value of $US1,500,000 maturing June 1, 1975 has been amortized as follows:

—Bonds of a nominal value of $US557,000 have been repurchased in the market.

—Bonds of a nominal value of $US943,000 have been drawn by lot; they bear the following numbers:

4581-4589, 4602-4618, 4621, 4634-4637, 4639, 4641-4643, 4646-4652, 4654-4660, 4665-4675, 4680-4716, 4718-4785, 4795, 4806-4833, 4835-4860, 4868-4878, 4880-4891, 4896-4923, 4931-4935, 4940, 4948-4954, 4965-4981, 4993-5000, 5002-5005, 5008-5014, 5016-5017, 5028-5029, 5036-5062, 5063-5075, 5079-5097, 5098-5100, 5107-5131, 5139-5141, 5145-5153, 5161-5170, 5174-5234, 5240-5247, 5250-5268, 5279, 5284, 5286-5287, 5319-5321, 5323-5347, 5348-5365, 5367-5427, 5430-5433, 5435-5466, 5470-5471, 5473, 5476-5495, 5497-5506, 5508-5509, 5530-5535, 5537-5550, 5552-5570, 5573, 5576-5593, 5595-5598, 5603-5626, 5628, 5630-5632, 5635-5650, 5653-5655, 5658-5662, 5668-5698, 5700-5711, 5722-57[illegible], 5770-5777, 5818-5826, 5828-5831, 5[illegible], 5841, 5844-5851, 5873-5880, 5[illegible], 5895-5900, 5904-5914, 5917-5919, 59[illegible], 5925.

These bonds will be payable at their nominal value of $US1,000 each on or after June 1, 1975 at the offices of the Paying Agents.

They will cease to bear interest on June 1, 1975 and must be presented for reimbursement with coupons from June 1, 1976 and following attached.

The following bonds, previously drawn have not yet been presented for redemption:

Bonds called for redemption on June 1, 1973:
5289-5291, 5306.

Bonds called for redemption on June 1, 1974:
6309, 6320, 6322-6326, 6328, 6330, 6332-6334, 6337-6342, 6347-6355, 6366-6377, 6399-6402, 6405-6408, 6411-6415, 6418-6419, 6421-6422, 6424-6428, 6455-6458, 6467-6469, 6477-6479, 6481, 6487, 6501-6504, 6512-6513, 6516, 6518-6520, 6523-6524, 6531, 6536, 6568-6570, 6572-6573, 6577, 6579-6580, 6597-6598, 6627, 6631-6633, 6644, 6647-6648, 6669-6673, 6713, 6715-6717, 6759-6772, 6774, 6778, 6781-6782, 6787-6792, 6797, 6800, 6802-6804, 6808-6809, 6812-6813, 6828-6830, 6834-6839, 6841, 6847, 6890, 6909, 6926, 6936-6938, 6941, 6945-6950, 6959, 6965-6969, 6976-6985, 6987-6994, 7001-7002, 7005, 7011-7016, 7019, 7029-7032, 7036-7039, 7047-7048, 7052, 7056-7057, 7060-7061, 7063, 7065-7066, 7070-7071, 7073, 7076-7082, 7084-7085, 7088-7093, 7104, 7111.

The Fiscal Agent
BANQUE GÉNÉRALE DU LUXEMBOURG
Société Anonyme
Luxembourg.
April 30, 1975.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Early rise despite SE Asia news

BY OUR WALL STREET CORRESPONDENT

NEW YORK, May 14.

MODERATE GAINS were scored on Wall Street to-day, although investors kept a close eye on developments in South East Asia.

After surrendering a good portion of a morning advance, following the sinking of Cambodian gunboats by U.S. aircraft, the market rallied again.

The Dow Jones Industrial Average was up 7.04 to 857.17 in the first hour of trading, partially reacted to 853.02 by noon, up a net 2.89, before rallying again to 855.76 by 1 p.m., for a net rise of 5.63.

The NYSE All Common Index put on 24 cents to $48.69, while nearly twice as many issues advanced as declined. Trading was fairly active at 13.29m. shares.

Strength was attributed to optimism about the outlook for the economy in the second half of 1975, and to speculation that bank price interest rates may be headed lower again fairly soon.

Some economists and Money Market analysts said yesterday that while a reduction in the

Closing prices and market reports were not available for this edition.

prime rate—generally at 7½ per cent.—may not come this week, it certainly could come by the end of the month.

General Motors were up $1½ to $47¼. IBM ahead $2 to $225½, Burroughs $1 higher at $108½, and Sears Roebuck up $1¾ to $71½.

Du Pont climbed more than $1 in Chemicals, as did Standard of Indiana in Oils.

Squibb rose $1¾ to $38½—E. R. Squibb and Sons, a wholly-owned subsidiary, received approval from the Food and Drug Administration to make velosef for injection, an antibiotic compound.

A. H. Robins were up $¾ to $15¼—it said there is no substance to a Wall Street rumour it might be acquired by Procter and Gamble, up 5⅛ to $96, after $96⅞.

American Telephone and Telegraph Warrants (trading on a cash basis) led the active list, unchanged at $5-64ths. AT and T Common was third, off $⅛ to $51⅞, including a block of 150,000 shares at $51⅞. The Warrants—31.3m. of them—expire at the close of business Thursday and Morgan Stanley is handling transactions for the telephone company involving the warrants.

An AT and T Warrant entitles the holder to buy a Common share at $52.

National Standard, the second most active issue, were up $¼ to $14.

Hughes Tool rose $2¼.

Bausch and Lomb gained $1⅞—it has obtained an injunction restraining National Patent Development Corporation from terminating a Soft Contact Lens Agreement in the Western Hemisphere.

The American Stock Exchange advanced, with the Market Value Index up 0.40 to 33.00, while turnover approximated 1.57m. shares. AMIC were lifted $1¼ to $11¼.

OTHER MARKETS

Canada improves

Canadian Stock Markets improved in light trading yesterday morning.

The Industrial Share Index rose 0.29 to 186.70, Golds 3.68 to 391.87, Base Metals 0.75 to 73.23, Western Oils 0.02 to 187.12, Utilities 0.43 to 133.32 and Papers 0.26 to 109.06. But Banks eased 0.11 to 253.71.

The largest price changes came on small volumes. Gulf Oil put on $1¾ to $20¾.

In Banks, Royal Bank were up $⅜ to $32⅜ and Toronto-Dominion ahead $⅜ to $43.

Macmillan Bloedel, the most active issue, were unchanged at $23 on 16,102 shares.

PARIS—Market tended lower, with South East Asian news and the worsening French unemployment figures contributing to an overall unfavourable trend. Poor economic prospects depressed also stocks, despite frequently higher first-quarter turnover figures.

Portfolios, Motors, Constructions, Electricals and Metals eased, Banks held about steady.

Foreign stocks were mostly slightly lower, apart from U.S. and Gold issues.

BRUSSELS—Generally higher in light trading.

U.S. and Gold shares rose in the Foreign sector. But Germans were lower, while British issues were mixed. French and Dutch were little changed.

AMSTERDAM—Weaker tendency.

Royal Dutch lost Fls.1.50 to 86.10 in easier Dutch Internationals, with only Akzo edging slightly higher.

Plantations weakened, Shippings, Insurances and Investment Funds were mixed, while Banks were higher.

Losses slightly outweighed gains in local Dutch issues.

Dutch State Loans firmed.

GERMANY—Weaker close after losing some initial gains, as Banks and some "larger" investors increasingly sold stock.

In Motors, BMW fell Dm.5.50 to 222, while Daimler lost Dm.2.70 to 302.5 ahead of its dividend announcement.

Among Banks, BHF were down Dm.4.50. Leading Chemicals gave way up to Dm.1.90, and Engineerings fell more sharply. Lufthansa were off Dm.1.50.

Veba shed Dm.1—its Veba-Chemie unit announced a lower 1974 net profit.

Public Bonds put on up to Dm.0.60. Mark Foreign Loans were mixed.

SWITZERLAND — Markets moved irregularly lower in smaller volume, with investors reserved in view of International political tensions.

Swissair Registered were weaker in Transports while, in irregular banks, Bankgesellschaft and Kreditanstalt each firmed, but Bankverein Participation Certificates eased markedly.

Moderate losses prevailed among Industrials, led by Bearer shares of Saurer and Hero Conserven.

In the Foreign sector actively traded Dollar stocks were generally well disposed, with General Motors and IBM each particularly strong. Dutch Internationals were barely steady, with Unilever declining more markedly. German shares also eased, led by Siemens.

COPENHAGEN—Mixed in very active dealings.

VIENNA — Mainly lower. Breweries were little changed.

OSLO—Generally quiet.

MILAN—Easier in slightly more active trading, with approaching Settlement factors again the main depressant.

Bonds were quietly resistant.

TOKYO—Slightly higher as interest revived for "small" and "medium" sized speculative issues. Volume 210m. shares.

Reports of an increasing likelihood that bank rate will be cut again encouraged dealers to buy Constructions, Housings and selected Machinery shares. Foreign demand also revived for "smaller" Electricals.

Steel Mills firmed, led by Nippon Kokan following news that it will boost its capital. Among other firm spots were Chemicals, Motors, Printings, Foods and Anti-Pollution Equipment shares.

But Petroleums, non Ferrous Metals, Pharmaceuticals and Shippings eased.

HONG KONG—Quietly steady in dull trading.

Hutchison at $HK2.75 and Wheelock at $HK3.40 each slipped 5 cents. HK Bank dropped 10 cents to $HK14.50 but Jardine Matheson gained 20 cents to $HK26.70.

JOHANNESBURG—Gold shares firmed, with gains of up to R150, in moderate trading.

Financial Minings were mixed in small volume, Platinums fluctuated around previous levels, while Coppers were easier.

AUSTRALIA — Markets were mixed.

Sugars were weaker, with CSR down 7 cents to $A4.28 and Bundaberg 10 cents to $A4.15.

Properties also declined. Lend Lease, however, added 4 cents at $A2.39.

Banks were mixed, while Retailers eased.

Minings were slightly firmer. Bougainville were up 1 cent to $A1.01, as were MIM to $A1.90.

Golds were firmer.

Oils were lower.

Thiess shed 5 cents to $A2.15.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus	Util.	Trading volume† 000's
May 13	67.65	172.36	850.15	78.64	24,450
12	67.61	171.36	847.47	78.48	22,410
9	67.64	171.91	850.15	77.90	28,440
8	67.59	170.72	840.60	76.37	22,960
7	67.56	170.25	836.44	76.47	22,260
6	67.63	171.30	834.72	75.25	25,410
5	67.54	174.12	855.60	75.19	22,370
2	67.52	171.39	848.48	74.64	25,210
1	67.25	170.76	830.96	74.29	20,660
Apr. 30	67.24	171.38	821.34	74.04	18,060
29	67.37	168.02	803.04	74.16	17,740
28	67.55	168.66	810.00	74.77	17,850
25	67.47	169.46	811.80	75.05	20,260
24	67.63	167.67	802.66	75.19	19,050
23	67.71	166.96	802.49	75.50	20,040
22	67.74	169.66	814.14	75.82	26,120
1975 High	69.92 (4/4)	174.12 (6/5)	856.60 (6/5)	81.98 (21/1)	—
Low	66.16 (3/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	166.42 (20/4/65)	—
Low	—	15.25 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

May 9	May 2	May 10, 1974
4.54	4.55	4.35

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	May 13	May 12	May 9	May 8	May 7
48.45 (13/5)	37.06 (2/1)	48.45	48.01	47.98	47.44	47.13

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,821	785	613	423

	May 13	May 12	May 9	May 8	May 7
New Highs	148	186	244	166	81
.. Lows	7	6	5	11	7

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	May 13	May 12	May 9	May 8	May 7
87.43 (12/5)	62.20 (2/1)	87.60	87.45	87.59	86.67	86.11
Volume (000's)		2,780	2,768	5,140	2,830	2,460

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
May 13	103.22	91.58
12	102.06	90.61
9	102.05	90.53
8	100.99	89.56
7	100.45	89.08
6	99.93	88.64
5	101.67	90.08
1975 High	103.22 (13/5)	91.58 (13/5)
1975 Low	77.71 (8/1)	70.74 (8/1)

* 425 Industrials. † 425 Industrials, 60 Utilities, 15 Rails.

STOCK AND BOND YIELDS

	May 7 1975	Apr. 30 1975	May 8 1974
Ind. Ord. yield pc	3.78	3.85	3.59
Ind. Ord. p/e ratio	9.63	9.39	11.65
Long-term Govt. Bds. per cent.	6.14	6.23	6.73

TUESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
AT and T Wts.	2,025,600		
Am. Tel. Tel.	705,000	52	+⅛
Panam	496,800	4⅞	+⅛
Chrysler	274,800	12⅛	+1⅛
Texaco	208,000	25	+⅞
Sterl. Drug	195,700	20	+⅛
Occident. Petrol.	185,300	16⅞	−⅛
Mohawk Data	169,600	2⅛	−⅛
Gulf Oil	169,300	19⅞	+⅞
Gen. Motors	157,700	46⅛	+1⅛
Middle Sut.	164,900	14⅞	—

TORONTO

INDUSTRIAL INDEX

May 13	May 12	1975 High	1975 Low
186.41	186.17	188.69 (17/4)	150.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

May 13	May 12	1975 High	1975 Low
197.13	196.77	197.13 (13/5)	159.95 (2/1)

COMBINED INDEX

May 13	May 12	1975 High	1975 Low
190.33	190.04	190.33 (13/5)	158.02 (2/1)

JOHANNESBURG

	May 14	May 13	1974-75 High	1974-75 Low
Industrials	208.5	208.4	210.3 (17/2)	183.0 (23/1)
Golds	313.2	306.4	379.1 (2/1)	255.2 (15/4)

(1958=100.) Source: Rand Daily Mail. * 1974.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	May 13	May 8	April 24
On Dividends	7.48	7.48	7.29
On Earnings	14.17	14.17	13.81

SYDNEY ALL ORD. INDEX

May 14	May 13	High 1975	Low 1975
349.17	349.27	389.48 (14/1)	288.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

May 14	May 13	High 1975	Low 1975
329.66	328.67	331.72 (6/5)	268.24 (10/1)

HONG KONG INDEX ø

May 14	May 13	High 1975	Low 1975
313.82	316.10	333.64 (28/4)	160.42 (9/1)

SINGAPORE INDEX §

May 14	May 13	High 1975	Low 1975
248.40	251.63	268.69 (11/3)	153.26 (8/1)

EUROPE

	May 14	Previous	1975 High	1975 Low
Belg'm (a)	111.51	110.93	111.73 (6/5)	89.07 (2/1)
Denm'k (b)	90.08	89.68	90.06 (14/5)	73.08 (15/1)
France (d)	69.7	70.6	72.6 (23/4)	61.70 (2/1)
Germ'y (e)	691.9	698.0	726.1 (15/4)	675.5 (2/1)
Holland (f)	105.5	105.7	107.6 (6/5)	85.8 (2/1)
Italy (g)	98.48	99.75	108.36 (21/2)	85.98 (8/1)
Spain (h)	105.37	106.48	110.96 (22/4)	91.25 (15/1)
Sweden (k)	374.92	375.23	374.83 (13/4)	310.56 (9/1)
Switz'rl'd (m)	288.1	288.3	295.1 (6/5)	206.5 (2/1)

Indices and base dates (all base values 100):—(a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December, 1953. (f) Amsterdam Industrial 1970. (g) Milan General 2/1/73. (h) Madrid S.E. 31/12/74 (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ø Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

Erratic dollar

The US dollar and sterling moved erratically against major currencies as a whole in the foreign exchange market, as well as against each other, with the dollar falling exceptionally sharply in the last few minutes on the Far East news. Sterling's trade-weighted average depreciation against ten leading units since the Washington Currency Agreement of December, 1971 (as calculated by the Bank of England) narrowed a shade on balance, to 25.1 per cent., from 25.2 per cent., although holding the 25.2 per cent. in early dealings and at noon. In terms of the dollar, the pound improved on the day to $2.3110-2.3120, from the previous $2.3070-2.3080. The rate opened at $2.3105-2.3115, and reached $2.3155-2.3170 in early dealings, but fell to $2.3050-2.3060 ahead of the release of the U.K. overseas trade figures for April, which were well received by the market, but which brought only a temporary improvement, the rate falling back to $2.3025-2.3035 at one point near the close (ahead of the Cambodian ship sinking reports). The dollar's trade-weighted average fall against 14 currencies since the Washington Agreement (as calculated on noon rates in New York by Morgan Guaranty) widened to 6.87 per cent., from 6.80 per cent., while sterling's depreciation on a similar basis narrowed to 30.57 per cent., from 30.68 per cent. Market reports suggested further official intervention in support of sterling, and official intervention in support of the dollar.

Gold rose $1½ an ounce on balance in London to $167-168.

The Krugerrand ended in places in domestic dealings at a premium of 23½ per cent. over its gold content (on the middle of dealers' bid-offered prices), against 25¼ per cent. previously, and at 2⅛ per cent. in international, against 3⅛ per cent.

EXCHANGE CROSS-RATES

May 14	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't	—	2.329-332	57.60-80	6.48-51	5.370-385	97.85-98.05	94.20-40
N. York *	43.10-13	—	24.76-79	2.775-780	2.308-309	42.10-15	40.58-61
Paris	173.12-52	4.031-041	—	11.614-6535	9.310-335	169.40-80	165.425-825
Brussels	15.58-92	34.62-67	8.58-81	—	79.95-80.15	14.53-58	14.32-08
London	5.38½-39½	2.311-312	9.34-35	80.10-30	—	5.50½-51½	5.68-69
Am'erdam	102.185-235	2.3807-32	58.985-.015	6.2605-65	5.4955-6005	—	96.475-535
Zurich	105.80-6.05	2.477-481	61.23-.35	7.115-1325	5.713-723	104.00-20	—

U.S.$ in Montreal. U.S.$1=103.30-32 Canadian cents. Canadian $ in New York. $C1=96.65-67 U.S. cents. U.S. $ in Milan 625.25. Sterling in Milan 1444.30 *Rates for May 13.

EURO-CURRENCY INTEREST RATES*

May 14 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch guilder	W.German mark	Swiss franc
†Short term	10⅛-12¾	4⅞-5⅜	4⅛-5⅛	⅞-1⅛	5-5½	1¼-1¾
7 days notice	11⅛-12⅛	5-5½	6-7	⅞-1⅛	5¼-5½	1-1½
Month	11¾-12⅛	5-5½	7-7⅛	3⅞-3⅞	4⅞-4⅞	3-3¼
Three months	12⅛-13	6-6½	7⅛-7⅜	4⅜-4⅝	4⅞-4⅞	4⅛-4⅜
Six months	13⅜-13¾	7-7½	7⅞-8⅛	5⅜-5⅝	5⅜-5⅛	5¼-5½
One Year	13⅝-14	8-8½	8⅛-9½	6⅝-6⅞	6⅛-6¼	5⅞-6⅛

Euro-French deposit rates: two days' notice 7¼-7¾ per cent.; seven days' notice 7¼-7¾ per cent.; one month 7¼-7¼ per cent.; three months 8-8½ per cent.; six months 8¼-8¾ per cent.; one year 9¼-9¾ per cent.

Longer-term Eurodollar deposits: two years 8¼-9¼ per cent.; three years 9¼-9¾ per cent.; four years 9¼-9¾ per cent.; five years 9½-9¾ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 5³⁄₁₆-5¼ per cent.; three months 6⁵⁄₁₆-6 per cent.; six months 7⁷⁄₁₆-6¹³⁄₁₆ per cent.; one year 8⁵⁄₁₆-7¹¹⁄₁₆ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two-days' notice for guilders and Swiss francs.

GOLD MARKET

FOREIGN EXCHANGES

FORWARD RATES

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—100⅜% (105⅛%)

NEW YORK

Stock	May 11	May 10
Addressograph	8¾	8⅝
Aetna Life & Cas.	25⅛	25
Air Products	74¾	73⅞
Airco	19	19¼
Alcan Aluminium	22⅜	22½

Stock	May 13	May 12
Corning Glass	46⅛	47
CPC Int'nation'l	43⅛	42¾
Crane	48¾	48⅛
Creole Petrol'm	8⅛	7¾
Crocker Nat. C.P.	24⅞	24¾
Crown Zellerbach	36½	36⅜
Cummins Engine	23⅝	23¾
Curtiss-Wright	12⅝	12⅞

Stock	May 13	May 10
Johns Manville	23⅝	23⅛
Johnson Johnson	96¼	96¾
Johnson Control	12¼	12⅞
Joy Manufactur'g	66	66⅞
Kaiser Alumin'm	30⅝	31
Kaiser Industries	9⅞	8⅞
Kaiser Steel	37⅞	37
Kay	5½	5⅛

Stock	May 13	May 12
Rapid America	6	6
Raytheon	45	44¾
RCA	17¾	17⅞
Reading	3	3⅛
Republic Steel	32⅛	32
Revlon	79⅛	76¾
Reynolds Metals	23¼	23½
Reynolds R. J.	55⅛	55½

Stock	May 13	May 12
Zenith Radio	25⅛	22
Chile 5% 1993	85	85
Peru 5% 1993	†95	†95
U.S.Treas5⅛%1974	100.01	†99¾
U.S.Treas.4% 1980	†85⅞	†85⅞
U.S.Treas4¼%75/85	†80⅝	80⅝
U.S. 91 days bills	4.93%	5.08%

GERMANY ♦

May 14	Price Dm.	+ or −	Div. %	Yld. %
A.E.G.	83	−2.2	—	—
Allianz Versich.	470		17	1.8
B.M.W.	222	−5.5	14	3.2
BASF	140	−1.9	17	6.1
Bayer	121	−0.7	17	6.6
Bayer Hypo.	335	−3	18	2.7
Bayer Vereinsbk.	325xd	−2	18	2.6
Commerzbank	207.5	−3	17	4.1
Conti. Gummi	76.1	−1.4	—	—
Daimler	302.5	−2.7	18	3.0
Degussa	231xd	−4	18	3.9
Demag	191.5	−0.5	16	4.1
Deutsche Bank	337	−3.9	20	3.0
Dresdner	234	−3.5	18	3.8
Dyckerhoff Zem't.	190	−2	14	3.7
Gelsenberg	82	−2.5	10	6.1
Gutehoffnung	168	−1.5	14	4.2
Hapag Lloyd	122	−0.5	9	3.7
Harpener (DM100)	177	−3.2	8	4.5
Hoechst	133	−0.5	18	6.9

AMSTERDAM

May 14	Price Fls.	+ or −	Div. %	Yld. %
Ahold (Fl.20)	106xd	+5.5	18	3.5
Akzo (Fl.20)	40.6xd	+0.1	20	9.9
Algem Bnk(Fl100)	334.5xd	+3	20	5.9
AMAS NV (Fl.10)	16		10	6.2
AMEV (Fl.20)	69		30	4.3
Amro Bank (Fl.20)	82.6xd	+0.3	40	4.9
Van Berkels (Fl.50)	123	+2.5	16	6.1
Bijenkorf (Fl.20)	82.8xd	+2.3	21	5.1
Boka Westm. Fl.10	107	+2	52	4.9
Buhrm-Tetterode	72	+0.4	25	6.4
Elsevier (Fl.20)	479	−6	24	9.9
EuroComTst Fl.10	60xd		30.4	5.2
Gist Brocade Fl.10	81	+0.8	23	2.9
Heineken (Fl.25)	168.4	+0.4	14	4.1
Helma Hlds. (Fl.10)	39.7	−0.8	14	5.5
Holland Fund	705		16	2.1
Hoogovens (Fl.20)	59		26	8.8
H'nte Douglas Fls	23.5		11	4.6
K.L.M. (Fl.100)	55.8	−1.2	—	—
Int. Muller (Fl.20)	56.9	+0.1	24	8.5
Naarden (Fl.10)	64xd	−1.2	20	3.1

AUSTRALIA

May 14	Aust. $	+ or −
Acrow Australia	†0.65	+0.05
Adelaide Brig'ton Cem't 50c	†0.80	
Allied Mnfg. Trdg. Indus $1	†1.45	−0.05
Ampol Exploration	10.50	−0.01
Ampol Petroleum	†0.39	−0.01
Assoc. Minerals	†2.80	
Assoc. Pulp Paper $1	†0.80	
Aust. Con. Industries	†1.32	
Aust. Foundation Invest.	†0.76	−0.02
A.N.I.	†0.85	−0.05
Aust. Oil & Gas	†0.05	
Blue Metal Ind.	†0.80	−0.06
Boug'nville Copper	†1.01	+0.01
Broken Hill Proprietary	†6.00	
BH. South	†1.90	
Carlton United Brewery	†1.84	−0.01
G. J. Coles	†1.08	−0.01
CSR ($1)	†4.28	−0.07
Cons. Gold Fields Aust.	†2.75	
Container ($1)	†1.45	
Conzinc Riotinto	†1.78	+0.05

PARIS

TOKYO ¶

Source Nikko Securities Tokyo.

BRUSSELS

STOCKHOLM

MILAN

SWITZERLAND ♦

OSLO ♦

COPENHAGEN

VIENNA

JOHANNESBURG

MINES

INDUSTRIALS

SPAIN ▼

STOCK EXCHANGE REPORT

Early losses in equities pared after trade figures

Share index down 1.4 at 330.9—Gilts a shade harder

Account Dealing Dates

*First Dealings	Declarations	Last Dealings	Account Day
May 5	May 15	May 16	May 28
May 19	May 29	May 30	June 10
Jun. 2	Jun. 12	Jun. 13	Jun. 24

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

The eagerly awaited trade figures for April encouraged a rally in equity markets after earlier dullness. Already recovering, leading industrials improved a penny or so further after the 3.30 p.m. announcement and a 2 p.m. loss of 5.3 in the F.T. 30-share index was pared to 3.3 an hour later and to 1.4 at the close of 330.9. Trading conditions were quiet throughout the day, but still very sensitive with prices fluctuating nervously. The late rally carried very little weight behind it. British Funds also fluctuated within narrow limits, but final quotations were generally around ⅛ better on balance and the Government Securities index hardened 0.15 more to 57.35.

Second-line equities failed to join in the late rally with the leaders. Overall dullness was reflected in a 3-1 majority of falls over rises in F.T.-quoted Industrials. The F.T.-Actuaries All-Share index gave up 1.3 per cent. more to 140.27. Bid situations provided some realief from the generally drab conditions, while company-trading statements prompted the odd bright spot. The steady flow of fund-raising continued, with NSS Newsagents, Duport and Allied Irish Banks all announcing "rights" issues yesterday.

Funds mark time

British Funds marked time awaiting the April trade figures, thus ignoring publicity given to bearish circulars, and then edged forward to close ⅛ harder generally. Interest was very light, as would be expected because of recent widely fluctuating estimates regarding what the trade deficit could be, although occasional switching longer was noticed in a small after-hours' trade. This caused jobbers to widen dealing margins at the short end. Corporations were also inactive but often a shade harder.

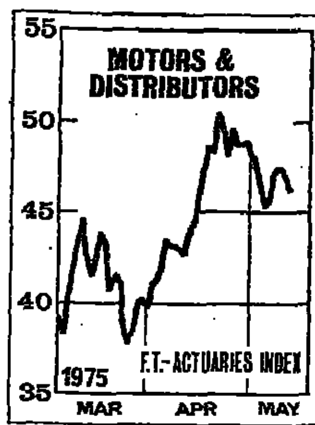
Resumption of the U.K.-Romanian financial talks aroused a fair interest in the bonds of the latter country, bringing rises of between 3 and 5 points; the 4½ per cent., 1913, issue rose 5 to £11½, the 7 per cent. Monopolies gained 4½ to £12½ and the 4 per cent. Cons., 1922, 3 to £13. Seaua Romana also found support and closed 6 up at 34p.

A fresh decline in the investment premium gained momentum late on increased offerings released by U.S. buying of South African Gold shares; the close of 100¼ per cent., down 4¼ points, was the day's lowest. Yesterday's SE conversion factor was 0.5520 (0.5464).

"Royals" please

Insurances were inclined to lose further ground in quiet trading, but Royal Insurance provided a notable exception, advancing 12 to 302p on the better-than-expected rise in first-quarter profits. In contrast, a worse drop than this generally expected in first-quarter profits brought General Accident down to 146p before rallying to end a net 2 easier at 150p.

Allied Irish were a bright spot among mainly dull Banks, ending 12 up at 128p on the increased profits and the £11m. "rights" offer of Convertible Loan stock. However, Bank of Ireland shed 10 to 490p. Home Banks reacted 6 more apiece in idle trading, as in Midland, 244p. Standard and Chartered Banking, 480p, relinquished the previous day's gain of 10 which



reflected the Midland Bank purchase of Chase Manhattan Bank's stake. Edward Bates continued to move erratically in Merchant Banks on the Arab Consortium's purchase of a sizeable shareholding and ended unaltered at 68p, after 72p. Discount Houses had contrasting movements in Union, up 10 at 295p, and Allen Harvey and Ross, down 10 at 250p.

Distillers fluctuated narrowly before closing 3 better on balance at 134p, while Long John International improved 6 to 108p in a restricted market.

Tarmac, which were quoted ex the "rights" issue yesterday, attracted a fair amount of interest, after opening at 20p premium, the new nil-paid reacted to close at 18p premium, while the old ended 7 lower at 146p. John Laing "A" declined 4 to 155p following the chairman's statement, while Baggeridge Brick eased 2 to 19p on the first-half profits setback. Bainbridge Bros. were also 2 cheaper at 33p following the preliminary figures. London Brick shaded 3 to 45p, while Redland, 80p, and Streeters of Godalming, 32p, gave up 4 and 5 respectively. Richards and Wallington ended a penny cheaper at 58p ex the "rights" issue, with the new nil-paid closing at 11½p premium following a light trade.

After touching 251p, ICI rallied to close a net 3 better at 255p. Yorkshire put on 5 more to 400p on the bid situation, but Fisons contrasted with another 10 fall to 370p, after 365p.

NSS Newsagents up

NSS Newsagents were prominent at 94p, up 15, on the higher first-half profits which accompanied news of the proposed one-for-one "rights" issue at the "bonus" price of 10p and forecast of a maintained final dividend on the enlarged capital. Elsewhere, Stores moved narrowly in thin trading. UDS shed 2 to 97p in front of to-day's results, while House of Fraser, 86p, and Marks and Spencer, 224p, both finished a penny easier. Readicut International eased 2 to 22p on the reduced earnings. Lee Cooper, at 85p, gave up half the previous day's rise of 10. In Shoes, Ward White ended 2 off at 26p following news of the company's reorganisation plans.

Electrical leaders remained quiet and fluctuated narrowly. EMI touched extremes of 172p and 168p before ending a net penny up at 171p. GEC, on the other hand, were finally a penny off at 114p. Thorn "A" lost 4 to 142p, while Plessey closed unaltered at 69p, after 67p. Elsewhere, Sangamo Weston moved into the limelight with a rise of 13 to 80p in a thin market on speculative support generated by Schlumberger's offer for the shares in the former's U.S. parent company, Sangamo Electric. Bowthorpe hardened 1½ to 34p, but reactions of about 5 were seen in Telephone Rentals, 99p, BSR, 69p, and Racal Electronics, 263p. Ferranti, which is dealt in under Rule 163 (2), were unmoved at 32p on the Government's support proposals for the company.

Renewed profit-taking left Metal Box down 7 more at 274p, after 270p, but a return of nationalisation enthusiasm took Hawker up 8 to 280p, after 282p. Other Engineering leaders were little changed, GKN closing unaltered at 228p, after 224p. Elsewhere, Babcock and Wilcox reacted 4 to 102p, Weyburn gave up 7 at 178p and Weston-Evans fell 2½ to 33½p. Zinc Alloy, on the other hand, rose 3 to 9½p on news that Astra Securities had acquired a 20.5 per cent. stake, while enhanced profits took Deritend Stamping up 3 to 120p. Head Wrightson in first response to the poor figures fell to 15p but later recovered to end unchanged on the day at 18½p.

Tate and Lyle featured Foods with a fall of 9 to 264p, after 261p. Manbre and Garton were also on offer, the Ordinary and new nil-paid shares both being 5 cheaper at 127p and 28p premium respectively. Bejam declined 6 to 76p, but Linfood picked up 5 more at 165p on further consideration of the trading news which accompanied the proposed "rights" issue. RHM hardened 2 to 44p following Press comment on the interim report.

Boots down

Miscellaneous Industrial leaders drifted lower in quiet trading—before partially recovering with the help of the April trade figures. Boots, however, sustained a loss of 6 at 241p awaiting to-day's annual results. Beecham, with preliminary figures due next Wednesday, finished only a penny off at 277p, after extremes of 280p and 273p. Reed International, 272p, after 268p, and Glaxo, 385p, after 380p, both ended around 5 cheaper. Elsewhere, Cussons, 68p, after 74p, and the "A," 58p, after 64p, closed with net advances of 8 apiece in response to the increased offers, worth 80p and 72p respectively, from Paterson Zochonis; the latter's Ordinary and "A" both improved 20 to the common price of 400p. Royal Sovereign, still on the increased profits, gained 4 more at 46p, while higher half-time results left Lighting and Leisure 2 firmer at 29p. "Mams," after easing to 46p, improved on the half-year statement to 49p for a net gain of a penny. Morgan Crucible were supported and the old, 91p, and new nil-paid, 30p premium, both hardened 3 ahead of the first-quarter report, due June 2.

Another quiet day's trading in Motor and kindred issues provided little in the way of features. Lex, however, fell to 15½p before recovering late to close a net 1¾ down at 16½p; the annual meeting is being held to-day. Awaiting developments in the clerical pay strike, Dunlop closed a penny down at 47p, after 46p.

Associated Newspapers suffered from scattered selling and lost 4 to 102p, after 101p, while Daily Mail "A" shed 5 to 178p in sympathy. Thomson were also cheaper at 180p, down 3, and Paper/Printings, too, were a shade easier generally.

Activity was at a low ebb in leading Properties, which closed modestly easier. Land Securities recorded a loss of 4 at 210p, after 208p, while MEPC, with interim results due early next month, ended 2 off at 181p, after 185p. English Property, a firm market of late on Press comment, hardened afresh to 86½p before finishing a fraction down on balance at 85p. Secondary issues were also in easier vein, although Brixton Estates, still helped by the results and proposed scrip issue, put on 2 more to 100p.

Oils quiet

The volume of business in Oils fell away noticeably and Shell after recent sharp fluctuations moved between the comparatively narrow range of 305p and 299p before closing the turn harder at 303p. British Petroleum rose to 453p, but ended a net 3 higher at 448p, while Burmah traded from 32p to 28p prior to closing 1 lower on balance at 29p. Most North Sea stocks eased a few pence, but overseas issues lacked any set pattern.

Trusts and Financials closed narrowly irregular. S. Pearson, 110p lost 5, while Capital shares had contrasting movements in Altifund, 7 higher at 152p, and Dualvest, which closed a like amount easier at 116p. Alliance improved 6 to 107p.

Reardon Smith were again on offer in idle Shippings, the "A" failing 10 to 190p and the Ordinary declining 40 to 440p.

Textiles had a slightly easier bias with Illingworth Morris "A" losing 2½ to 21p and Wormalds Walker falling 2 to 14p. Courtaulds, after initial easiness at 109p, picked up to close a net 1 harder at 113p.

Tobaccos also rallied from cheaper early levels, Bats ending unaltered at 315p, after 308p. Similarly, Imps reverted to 55½p, after 54½p.

Golds gain ground

In thin trading Gold shares made further headway as scattered buying found little stock on offer. The further rise in the bullion price again countered the effects of a lower investment dollar premium and share prices ended at the day's best. The index rose 9 to 402.2, its highest since April 2, while the metal price was $1.50 up at $167.50 per ounce.

In late after-hours trading, in line with their U.S. counterparts, share prices were showing fresh strength following news of the sinking of Cambodian gunboats by the American Air Force.

West Drie. were outstanding with a £3¾ rise to £30 while Durban Deep (£12) and Hartebeest (£26¾) were both £1½ to the good. Among the lower priced, Unisel put on 12 at 270p.

The London-based Financials were also strong at the close of trading with Gold Fields 9 up at 284p and gains of 7 seen in Charter (201p) and RTZ (205p). "Amgold" were a point up at £44 as were General Mining at £33½. But in front of the chairman's statement Anglo American were unaltered at 480p.

Platinums declined under the lead of Potgietersrust which were easier in the Cape and fell 6 to 206p here. Coppers were generally steady although Messina were 15 off at 360p following the almost halved interim dividend. MTD (Mangula) were 2 off at 82p also reflecting the sharp fall in half-year profits and distribution.

The firmer tone of home markets overnight was countered in Australian issues here by the lower premium and prices ended showing little change either way. Peko-Wallsend were 15 to the good at 305p. Following latest news of the unrest at the mine, Bougainville eased 2 to 102p.

The Board changes made at the London meeting left Gopeng 7 down at 253p. Geevor were 3 lower at 222p reflecting the cost inflation in U.K. mining.

FINANCIAL TIMES STOCK INDICES

—	May 14	May 13	May 12	May 9	May 8	May 7	A year ago
Government Secs.	57.35	57.20	56.82	57.46	57.73	57.15	59.62
Fixed Interest	57.14	57.07	56.84	57.36	57.24	56.92	57.55
Industrial Ordinary	330.9	332.3	339.8	335.6	331.1	322.5	302.5
Gold Mines	402.2	393.2	380.2	377.2	375.1	364.0	316.9
Ord. Div. Yld. %	6.25	6.21	6.09	6.21	6.24	6.39	6.52
Earnings Yld. % (full) (a)	18.30	18.23	17.88	18.15	18.23	18.67	16.66
P/E Ratio (net) (a) (b)	7.69	7.71	7.86	7.73	7.69	7.51	8.42
Dealings marked	8,771	8,665	7,525	6,551	7,500	8,490	4,977
Equity turnover £m.	—	99.43	88.21	75.02	89.00	66.50	36.63
Equity bargains total	—	24,676	23,910	20,837	19,168	18,119	10,057

10 a.m. 331.8. 11 a.m. 332.0. Noon 331.2. 1 p.m. 328.0. 2 p.m. 327.0. 3 p.m. 329.0.

Latest Index 01-246 8026. Excluding regional exchanges.

(a) Based on 52 per cent. corporation tax. (b) Nil=7.66.

Basis 100. Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (20/3)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	63.31 (21/3)	50.53 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	365.5 (22/4)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	423.6 (25/2)	280.2 (30/1)	425.4 (13/11/74)	43.5 (26/10/71)

S.E. ACTIVITY

—	May 14	May 13
Daily—		
Gilt-Edged	149.0	150.0
Industrials	320.9	317.6
Speculative	104.5	105.9
Totals	159.6	127.2
5-day Av'r'ge		
Gilt-Edged	139.7	141.9
Industrials	281.7	280.1
Speculative	90.7	85.5
Totals	177.5	175.2

FT—ACTUARIES INDICES

—	May 14	May 13	May 12	May 9	May 8	May 7	A year ago
Industrial Group	129.62	131.18	134.20	131.36	129.72	125.56	120.74
500 Shares	140.65	142.46	145.30	141.93	104.06	135.25	131.11
Div. Yield pc.	6.25	6.17	6.05	6.19	6.28	6.49	6.22
P/E Ratio (net)	6.88	6.96	7.11	6.95	6.85	6.50	8.06
All Share	140.27	142.08	144.81	141.74	139.98	135.55	125.57
Consols yield pc.	15.17	15.28	15.51	15.25	15.13	15.36	14.01

AUTHORISED UNIT TRUSTS

Yield %				
(a) (g) Abacus Arbuthnot Ltd. 55, Fountain St., M/C. 061-236 9775/8				
Giants	31.6	33.4	−0.2	4.30
Giants Accum.	33.0	34.9	−0.2	4.30
Growth Units	29.0	30.8	−0.1	4.30
Growth Accum.	30.4	32.2	−0.1	4.30
(a) (g) The Crescent Group. Crescent Unit Trust Managers Ltd. 4, Melville Cres., Edinburgh 3. 031-226 4931. 81, Fountain St., Manchester. 061-236 5685				
Crescent Growth	17.6	18.7	−0.1	5.11
Cres. Internat'l.	39.3	42.2	−0.3	2.09
(a) (c) Lawson Securities Ltd. 63 George Street, Edinburgh. 031-226 3911				
Scots Resources	68.3	73.3	......	4.40
Gilt & Warrant	27.9	29.9	......	1.74
High Yield	104.9	113.9	......	13.40
Accum. Units	114.0	125.0	......	13.40
(a) (z) Pearl Montagu T. Mgrs. Ltd. 114, Old Broad St., EC2P 2YB. 01-588 6464				
P & M Growth Fd	17.5	18.9	−0.2	4.34
Accum. Units	19.0	20.5	−0.3	4.37
P & M Income Fd.	21.5	23.2	−0.2	7.57
(a) (g) Slater Walker Tst. Mangmt.				
S.W. Growth	58.2	62.3	−1.3	5.75
S.W. Assets Trust	49.7	53.2	−1.2	7.06
S.W. Capital Acc.	36.0	38.6	−0.3	4.93
S.W. Finan'l Tst.	37.1	39.7	−0.5	3.86
S.W. High Inc.	51.1	54.7	−1.0	7.17

[INSURANCE, PROPERTY, BONDS PRICES PAGE 35]

OFFSHORE AND OVERSEAS FUNDS

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1975 High	Low	Stock	£	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
98	90¼	Savings 3pc '65-75	98	......	3.05	9.97
99½	94	Exch 6½pc 1976	97	+	6.68	9.92
97¼	92	Treasury 6½pc 1976	95	+	6.78	10.12
98½	97	Victory 4pc 1976	98	......	4.08	—
102	96⅞	Treasury 10½pc 1976	99⅞xd	+⅛	10.51	10.62
95	88⅔	Treasury 6¼pc 1977	92⅔	+⅛	6.75	10.77
91¼	86	Electric 3pc '74-77	90	......	3.33	9.01
103	96⅞	Treasury 11½pc '77	100	–⅛	11.39	9.96
88	84	Treasury 3pc '77	85⅞xd	+⅛	3.49	9.46
88⅝	84⅝	Transport 4pc '72-77	86xd	+	4.63	10.07
96	90½	Treasury 9pc 1978	93	+	9.60	11.56
96	93¼	Treasury 9pc '78 'A'	93	+	9.59	11.57
100	96⅝	Treasury 10½pc '78	96	+⅛	10.84	11.69
87⅞	79	Exchequer 5pc '76-78	84½	+⅛	5.92	10.57
103	94	Treasury 11½pc '79	99	......	11.56	11.63
79⅞	71⅞	Treasury 3pc '79	76½	+⅛	3.92	9.76
81	73⅞	Electric 4¼pc '74-79	78⅛	+⅛	5.44	10.63
100	96	Treasury 10½% '79	96⅝xd	+⅛	10.81	11.47
79⅞	71	Electric 3½pc '76-79	76xd	......	4.57	10.08
95	84	Treasury 9pc 1980	91¼	......	9.86	11.39
		Five to Fifteen Years				
79	68¼	Treasury 3½pc '77-80	74⅝xd	+⅛	4.67	9.90
84½	71	Funding 5¼pc '78-80	79xd	......	6.61	10.58
75½	66⅛	Treasury 3½pc '79-81	72⅝	+⅛	4.88	10.07
91⅛	72⅝	Do 8½pc '80-82	87⅔	+⅛	10.05	11.90
104½	86⅝	Treasury 12pc 1983	99¼	+⅛	12.33	12.52
78	58	Funding 5½pc '82-84	72¼	......	7.75	10.72
85¼	61⅞	Treasury 8½pc '84-86	80⅞	+⅛	10.90	12.16
73¼	51⅞	Funding 6½pc '85-87	66xd	+⅛	9.81	11.84
76¼	53	Treasury 7¾pc '85-88	71	–⅛	11.28	12.79
46½	32⅞	Transport 3pc '78-88	41⅝	+⅛	7.40	12.20
55¼	39¼	Treasury 5pc '86-89	50	+⅛	10.08	12.70
		Over Fifteen Years				
75½	53¼	Treasury 8¼pc '87-90	66xd	+⅛	12.30	13.39
55¼	41⅞	Funding 5¾pc '87-91	50½	–⅛	11.47	13.40
97½	89½	Treasury 12½pc '93	90¼	+⅛	14.19	14.35
54½	40½	Funding 6pc 1993	48½	+⅛	12.63	14.02
75¼	54	Treasury 9pc '94	64xd	+⅛	13.94	14.49
34⅞	24¼	Gas 3pc '90-95	30¼	+⅛	9.96	12.70
102	75	Treasury 12¾pc '95	87¾xd	+⅛	14.53	14.64
71⅛	54¼	Treasury 9pc '92-96	64¼	–⅛	14.23	14.68
32¼	26½	Redp. 3pc '86-96	29⅝	+⅛	10.25	12.64
69⅛	53¼	Treasury 9¼pc 1997	62⅝	+⅛	14.39	14.77
59⅔	40¼	Treasury 6¾pc '95-98	48⅝	+⅛	13.96	14.58
75⅛	54¼	Treasury 9½pc 1999	68½	+⅛	14.52	14.80
31⅛	22	Funding 3½pc '99-04	28½	+⅛	12.98	13.76
61⅛	47	Treasury 8pc '02-06	55⅝	+⅛	14.61	14.74
42⅞	33	Treasury 5½pc '08-12	38⅞	+⅛	14.52	14.62
59⅝	43⅛	Treasury 7¾pc '12-15	54¼	+⅛	14.78	14.81
		Undated				
29¾	22½	Consols 4pc	27⅛	+⅛	15.39	—
27¾	20⅛	War Loan 3½pc	23½xd	+⅛	14.87	—
27½	22⅝	Conv 3½pc '61 Aft.	24⅝	+⅛	14.46	—
22	17½	Treasury 3pc '66 Aft.	20	+⅛	15.25	—
18¼	14¼	Consols 2½pc	16½	+⅛	15.17	—
18⅛	14½	Treasury 2½pc	16⅝	+⅛	15.31	—

**INTERNATIONAL BANK

1975 High	Low	Stock	£	+ or –	Yield Int.	Red.
66¼	58	5pc Stock '77-82	65¼	+¼	7.82	12.73
96¼	91½	8pc Stock 1976	96	+¼	8.33	11.60

**CORPORATION LOANS

1975 High	Low	Stock	£	+ or –	Yield Int.	Red.
86¼	80¼	Birm'ham 9½pc '79-81	83½	......	11.43	13.93
91½	87	Bristol 6½pc '75-77	89¼	+¼	7.24	13.31
87½	82¾	Essex 5½pc '73-77	86¼	+¼	6.38	13.09
94⅔	90	G.L.C. 6¾pc 1976	93¼	......	7.24	12.75
90½	85	Do 7¼pc 1977	88¼	......	8.21	13.44
75¼	63	Herts 5½pc '78-80	69xd	......	7.59	14.02
89½	83½	Liverpool 7pc '76-77	88	+¼	7.95	13.10
89½	71	Do 9½pc '80-84	83½xd	+½	11.77	12.89

COMMONWEALTH & AFRICAN LOANS

LOANS (MISCEL.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 80½% (based on $2.3092 per £)

CANADIANS

S.E. List Premium 80½% (based on $2.3850 per £)

Conversion factor 0.5520 (0.5464)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

مكتبة الأصل

MINES

CENTRAL RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£14¼	780	Durban Deep R1	£12	+1¼	Q110c	ϕ	5.9
£14	860	E. Rand Prp. R1	£12¼	+¼	Q115c	ϕ	6.1
105	55	Rand Leases 3½c	65	+2	—	—	—
£33½	£22	Randf'tn Est. R2	£31½	+¼	—	—	—
500	260	West Rand R1	345	+15	Q40c	1.3	7.7

EASTERN RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
370	235	Bracken R1	320	......	†Q51c	1.1	10.3
23	13	Daggafontein 50c	15	......	—	—	—
105	68	East Dag R1	87	−2	Q25c	ϕ	18.5
140	140	Grvnt. Areas 5c	140#	......	—	—	—
380	210	Grootvlei 30c	310	......	Q32c	1.1	6.6
745	410	Kinross R1	745	+15	†Q50c	1.5	4.3
198	107	Leslie 80c	156	+6	†Q22c	1.6	9.1
550	325	Marievale 70c	410	......	Q84c	1.1	13.2
725	380	S. African Ld. 35c	590	+10	Q85c	1.2	9.3
265	175	Vlakfontein R1	215	+5	Q55c	1.3	10.5
£12⅝	840	Winkelhaak R1	£12⅝	+⅛	†Q94c	1.2	2.7
120	65	Wit. Nigel 25c	77	+2	Q1c	10.9	0.8

FAR WEST RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£11	680	Blyvoor 25	940	+10	Q90c	1.3	6.2
£21½	£17	Buffels R1	£20½	......	†Q160c	1.4	5.1
£14¼	920	Doornfontein R1	£12¼	+¼	†Q100c	1.4	5.2
£11¼	725	East Drie R1	£10½	+¼	Q55c	1.6	3.4
£11	725	Do. Comb. Units	£10⅝	+¼	—	—	—
450	295	Elsburg R1	410	+5	Q45½c	1.2	7.2
£27	£16	Hartebeest R1	£26¾	+1½	†Q160c	1.7	3.8
£13¼	815	Kloof Gold R1	£11¾	+¼	†Q79c	2.2	‡
£15⅝	875	Libanon R1	£15½	+½	†Q100c	2.0	4.2
£12¾	960	Southvaal 50c	£11⅞	+½	Q9c	ϕ	0.5
475	340	Stilfontein 50c	440	+10	Q65c	1.3	9.5
£33¾	£21	Vaal Reefs 50c	£31½	+1	Q220c	1.7	4.5
£11½	650	Venterspost R1	890	+20	†Q75c	1.7	5.4
£50	53	W. Drie R1	53	−264	†Q400c	1.2	237.7

TINS

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
54	32	Amal. Nigeria	54	......	†20.8	1.6	14.8
158	77	Ayer Hitam	158	+5	39.2	1.2	9.5
36	20	Beralt Tin	22	......	—	—	—
424	268	Berjuntai SM2.5	422	......	†Q$M1.8	ϕ	7.6
17	13	Ex Lands 10p	16½	......	13.7	0.9	13.2
246	216	Geevor	222	−8	†74	2.3	12.8
18	11	Gold & Base 12½p	16½	......	6.7	1.6	0.6
260	157	Gopeng Cons.	253	−7	57	ϕ	8.7
3	55	Hongkong	73	......	—	—	—
58	40	Idris 10p	58	......	67	ϕ	17.8
11	7	Jantar 12½p	11	......	—	—	—
60	43	Kamunting 15p	57	......	†40	0.8	16.2
165	140	Killinghall	165	......	48	—	11.2
185	106	London Tin 20p	185	+2	35	ϕ	5.8
182	93	Malay Dredging	182xd	......	g43.9	1.6	9.3
*59	29	ΔPahang	53	......	†Qh12½	1.5	6.1
65	44	Pengkalen 10p	63	......	70	1.0	17.1
95	75	Petaling SM1	95	......	—	—	—
23	8	Saint Piran	16	......	‡5.3	1.3	‡
125	68	South Kinta (10p)	112	......	†82.5	0.9	11.3
150	73	Sthn. Malayan	143xd	......	g43.9	1.4	11.8
78	47	Sungei Besi 20p	78	......	†27½	3.2	10.8
43	33	Sungei Way SM1	42	......	ZQ10	—	4.2
84	48	Tanjong 15p	70	......	29	ϕ	9.6
75	62	Tongkah Hb SM1	63	......	Q30	1.3	13.1
82	42	Tronoh	82	......	16.1	ϕ	7.5

COPPER

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
86	56	Botswana RST R2	83	+1	—	—	—
390	196	Messina R0.50	360	−15	‡Q60c	2.9	‡

MISCELLANEOUS

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
6½	3	Burma Mine 17½p	6½	......	—	—	—
47	17	Charterhall 5p	47	V+2	—	—	—
115	5	Cothy Mines $1	75#	......	—	—	—
730	360	Cons. Murch. 10c	720	......	Q130c	2.2	11.6
53½	29½	Laurasia	38½	......	—	—	—
19	13	NRD $1	16	......	—	—	—
375	200	Northgate C$1	340	−15	Q65c	1.0	8.3
210	80	R.T.Z.	199	+1	19.9	4.4	3.9
135	47½	Sabina Inds. C$1	112	−3	—	—	—
70	51	Stanford Mines	65	......	—	—	—
£12½	875	Tara Explo. $1	£11¼	−½	—	—	—
75	38	Yukon Cons C$1	69	......	—	—	—

NOTES

Unless otherwise indicated, prices are in pence. denominations are 25p and dividends are in net percentage terms. Estimated price/earnings ratios and covers adjusted to corporation tax of 52 per cent. on imputation system and 35 per cent. ACT. P/Es calculated on "net" distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on increased ACT, are based on middle prices, are gross and allow for value of declared distributions and rights.

Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issues cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ¢ Based on 1973 profits.
- : Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ‡ Cover does not allow for shares which may also rank for dividend at a future date No P/E ratio usually provided.
- ▼ Excluding a final dividend declaration.
- ♦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment.

A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1973-74. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 25

FINANCIAL TIMES

Thursday May 15 1975

BL unions demand worker participation

BY ROY ROGERS, LABOUR CORRESPONDENT

BRITISH LEYLAND unions yesterday demanded an element of worker participation as the price of their co-operation in the Government's plan to rescue the corporation.

This was spelt out firmly yesterday when national union officials and shop stewards' representatives met Industry Secretary Mr. Anthony Wedgwood Benn and Government industrial adviser Sir Don Ryder for the first time since Sir Don's report on the company was published last month.

While welcoming the general content of the proposals the unions felt that on the central question of industrial democracy they did not go far enough, commented Mr. Bob Wright, an executive member of the Amalgamated Union of Engineering Workers.

He described Sir Don's idea of setting up joint management-union councils as consultation and not participation and declared that the unions wanted to strengthen the machinery to make it more accountable to the worker representatives elected to the councils.

However, Mr. Wright would give no indication of the level of participation sought — the long-standing union demand has been for 50-50 control—but said they were seeking "workers' control."

As a result of yesterday's meeting, described by Sir Don as "constructive," special tripartite meetings involving unions, divisional management and members of the Ryder team are to be held in the next few weeks at the proposed new Leyland divisions at which the worker participation will be considered further.

Last night Mr. Wright said that both Mr. Benn and Sir Don had emphasised they would be ready to assist in these negotiations if they were needed.

Terry Dodsworth adds: *The cost to British Leyland of closing* its Authi subsidiary in Spain, which the company once hoped to sell to General Motors for £27.5m., is likely to reach almost £30m.

This figure is almost double the loss incurred on the shut-down of BL's manufacturing operations in Australia last year, and highlights the severe impact which the failure of these foreign businesses has had on BL's cash position at a time when it was forced to seek Government assistance.

Escalation

At the same time the rapid escalation of borrowings in the six months to March pushed interest charges up to £18m., the company revealed yesterday in its half-year statement.

This brought pre-tax losses for the six months to £19.8m. (against £16.6m. last year), and total losses after the extraordinary provision for Authi, to £42.9m. (against £12.7m.). There is still a possibility of selling Authi to a consortium of Spanish motor companies, which would reduce the loss, but meantime the business is due to close down manufacturing completely this month.

Some satisfaction is being displayed by the company that it has managed to hold trading losses before interest and taxation to £1.8m. Last year the comparable figure was £8.3m., and BL attributes the better performance to the stringent cost-cutting schemes instituted last year to generate cash within the company.

Part of this reduction in costs is due to the process of cutting manpower. Since the beginning of 1974 the workforce has come down by 17,000, some 6,000 of whom have left in the last six months.

Wage costs have also been contained in relation to the general rate of inflation, rising at a rate of 16 per cent. over the last year.

However, as the Ryder report has indicated, there is no hope of any real improvement in the company's financial position over the rest of this year. Borrowings have continued to grow since the end of March, with the Corporation biting deeply into the £50m. of short term funds loaned by the Department of Industry while the Ryder-inspired reconstruction was worked out.

Additional borrowing powers were voted by shareholders last week, and although these have not been taken up, the company is expected to get an additional £50m. from the DoI before the seal is set on the general reconstruction at an extraordinary meeting of shareholders in mid-July.

In its statement yesterday, BL said that competitive prices in both the U.K. and export markets has prevented full recovery of cost increases — a reference particularly to the increasing penetration of importers in Britain, whose market share in the first six months of this year went up by 6 per cent. to 32 per cent.

Leyland results, Page 22

Marsh calls for freedom from intervention

BY PHILIP RAWSTORNE

BRITISH RAILWAYS could be restored to financial stability within two or three years if it were given freedom to manage its business within a clear and consistent policy framework, Mr. Richard Marsh, the British Rail chairman, said yesterday.

Political intervention was the major cause of the financial problems of the nationalised industries generally, he said at a Commons lunch

"You cannot manage an industry properly if you are constantly faced with changes of policy," Mr. Marsh declared. There was a critical need to reach a political consensus that would bring a degree of consistency into relations between Governments and the public sector.

Managers and workers in the nationalised industries were neither better nor worse than in the private sector, said Mr. Marsh.

"*Members of Parliament* bear far more responsibility for the current level of public expenditure, including the demands of the nationalised industries, than any other group in the country."

British Rail's immediate problem was the effect of inflation—"but primarily we are facing the inevitable result of ad hoc and frequent restrictions on pricing," he said.

Both the CBI and *the* nationalised industries had warned the previous Conservative Government that the way in which its price restraint was being applied would reduce the public sector's finances to "a shambles."

The railways had also been faced over his period as chairman with changes in its investment programme every six months.

Uncertainties of this kind inhibited the industry's ability to compete for valuable export orders, Mr. Marsh declared.

"It really is difficult to cope with the schizophrenic approach of a society which wants to hold fares down but at the same time reduce our costs; which complains about over-manning but does not like redundancies; which refuses to allow us to close services we have asked to close and then complains about the cost."

It had taken British Rail three and a half years to get authority to close down the Heysham-Belfast ferry service which was losing more than £800,000 a year, said Mr. Marsh.

The frightening journey into the future, Page 20

THE LEX COLUMN

Limping to the duckpond

Ferranti is no British Leyland, and it is still well within its present borrowing limits with debt approaching £18m. and shareholders' funds of £24m. But although it has been negotiating from a certain amount of strength, it certainly ought to be satisfied with the deal it has now struck. The Government is to subscribe £6.3m. by way of a new loan stock and £8.7m. of new equity —of which £2.7m. will be in the shape of non-voters, no less. Thus its voting stake will be limited to 50 per cent., and it will stay that way provided a listing can be arranged by the end of 1978, when the non-voters will be enfranchised.

Moreover the Government seems keen to ensure that such a listing will take place, since it has promised to take the "appropriate steps" with the troublesome transformer division should that pose any threat to a marketing operation.

Admittedly Ferranti's book asset value at 547p per share is way above the 150p being paid for each voter and 100p for the others. But then the profits record has been absolutely dismal in recent years. Earnings hit a peak of 37½p per share in 1972-73, but the average for the last five years—including two sizeable losses and a breakeven in 1974-75—is no more than about 5p.

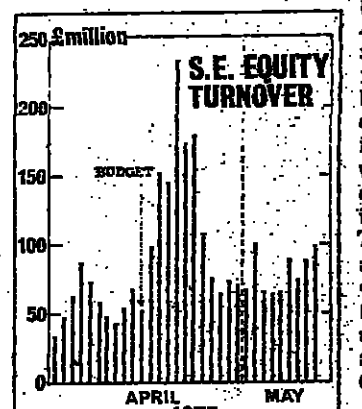
In the three years ending 1973-74, net cash flow of roughly £8m. was not quite enough to cover fixed asset spending, and the increase in net working capital—which totalled nearly £25m. at the end of the period —was financed out of bank borrowings. There is no indication of how the group is going to become any more profitable in the future, although it will certainly need to if the suggestion that the shares might eventually be quoted at over £2 each—for a market capitalisation of over £21m.—has any meaning. If that happens, the Government will pass half of anything over the £2 mark on to the original shareholders (Burmah Oil shareholders please note).

So the taxpayer is not getting any great bargain. The same, of course, applies to British Leyland, where half-time losses emerge at £42.9m. (7½p per share) after a tax credit and £29m. of net provisions against the Spanish operation Acquiring 47 per cent. of this business cost £4m. during 1972-73, and General Motors came within an ace of buying the whole lot for nearly £28m. a year ago.

Index fell 1.4 to 330.9

Unit sales dropped 15 per cent. during the period, and although BL has held up better than the other domestic manufacturers during the first four months of calendar 1975, it has still lost market share to passenger car imports. Book net worth is down to £217m., and a £10m. rise in the net interest charge to £18m. helps to confirm that borrowings are now climbing well above the £300m. level.

But BL's balance sheet still looks like the rock of Gibraltar compared to that of what may be a forthcoming candidate for state aid, Chrysler U.K. Just for the record, it may be worth mentioning that this group has generated almost no cash at all during the last five years, during which time its pre-tax losses have totalled more than £22m. As a result, shareholders' funds of £25m. are supporting over £80m. of debt. And with net working capital of £55m., Chrysler probably needs nearly £20m. a year just to keep ticking over.



Composites

The problems of the U.S. insurance sector overshadow the first quarter results from General Accident and Royal. At GA, a £4m. underwriting deterioration in the U.S. was responsible for over two-thirds of the £5.4m. pre-tax downturn to £3.1m., and although Royal managed a £2.6m. rise to £6.7m. pre-tax; this was despite a small rise in the U.S. underwriting loss to £7.5m. Both groups specifically blame U.S. motor business, and GA sees no improvement yet; rate increases are still patchy and insufficient, so it anticipates that its underwriting losses "inevitably" be greater th[…] 1974. Motor is less impo[…] proportionately for Royal, […] is looking for a recovery i[…] U.S. over the last nine m[…] of 1975 since its ge[…] liability and workmen's co[…] sation results—previously a headache—are respondir[…] cutbacks in exposure and increases.

Elsewhere, Canada and […]tralia are now on the up[…] while the U.K. is holdir[…] own for both groups, d[…] problems on the motor[…] where rate increases are b[…]ing more frequent. O[…] GA's underwriting loss[…] 1975 could be slightly […] than last year's £13.5m, this should be more than […] by a growth in inves[…] income from £35m. to[…] plus, for a small pre-ta[…] At Royal, however, the scope for a big underw[…] recovery after last year[…] back— underpinning its […]cast of a "marked" improvement for 1975 […] whole, despite the incre[…] only 7.7 per cent. in inves[…] income in the first qu[…] These prospects have, or[…] already been reflected i[…] sector's strong share per[…]formance this year. […]ally, current solvency m[…] are approaching 40 per ce[…] GA, and 38 per cent. for […]

See also Pages 24 and […]

Trade figures

Yesterday saw very [...] movement in either gil[…] equities after hours, wi[…] well-leaked April figure[…] firming that the trade bal[…] adjusting for the dock distortions—is continuin[…] improve. That is a sign[…] way the recession is hitt[…] domestic economy, and th[…] ernment will be hoping respite for sterling ahead […] referendum in three time. Anyway, the doll[…] claiming all the attentio[…] night.

Aside from tomorrow's price index, which may […] counted, the main unce[…] concerns money market r[…] rates—the three-month bank rate, for instance, h[…] risen a full point this w[…] 11 per cent. That wi[…] upward pressure on ML[…] in gilts the authorities been readily supplying fo[…] good days, suggesting apart from their und[…] need to sell stock, tha[…] wish to keep rates up.

Chrysler shop stewards are ready for a long strike

BY PETER CARTWRIGHT AND ROY ROGERS

MILITANT STEWARDS at Chrysler's engine plant in Coventry *decided yesterday to prepare* for a long strike over their £15-a-week pay demand and to ignore the plea by Mr. Michael Foot, Employment Secretary, to end the stoppage, which is expected to bring Chrysler U.K. car production to a halt by the week-end.

Their decision was made only hours before a meeting between Chrysler executives and national union officials, led respectively by Mr. Gilbert Hunt, chairman, and Mr. Jack Jones, general secretary of the Transport and General Workers' Union.

Last night's talks, called to discuss the company's revolutionary plan to introduce employee participation and profitsharing, did not involve any detailed discussion of the strike, which began on Monday.

Confident

However, after the meeting both sides said they hoped there would be an early resumption of work although the strike would have to be resolved in Coventry by local union officials.

Mr. Jones and Mr. Bob Wright, an executive member of the Amalgamated Union of Engineering Workers, both expressed themselves very pleased with Chrysler's proposals.

They claimed, and Mr. Hunt did not deny, that what Chrysler was offering was a planning agreement under the terms of the Industry Bill, and that this would be the subject of further discussions between the management and shop stewards.

The union leaders were confident that Chrysler would now remain in Britain and be successful here, and hoped that this confidence would filter through to the workers.

This was confirmed by Mr. Hunt, who said: "Chrysler wants to stay here and be an ongoing company."

On the dispute, both sides agreed it was a local matter and both Mr. Jones and Mr. Wright declared themselves satisfied that their Coventry officials were perfectly capable of handling it.

There will therefore be no national union officials at to-day's mass meeting of the 4,000 strikers, who will be recommended by their shop stewards to remain out.

For the first time, wives are taking an active interest. Mrs. Sheila Willis, wife of £64-a-week machinist Derek, and about a dozen other anti-strike women clashed after the meeting with another small group, led by Mrs. Maureen Enever, who said they were 100 per cent. in agreement.

"We are not behind our men, we are alongside them," she declared.

The Stoke workers had put forward their claim eight weeks before their existing contract runs out. Before they resume, they want a promise of at least £8 a week on July 1 and will then negotiate towards the £15 objective.

Resumption

The company has said it will make an offer on May 23 if there is an immediate resumption and has linked participation and profit-sharing to it.

The Stoke factory produces engines and transmission for the nearby Avenger car plant at Ryton, for Imps and Hunters at Linwood, Scotland, and for vans made at *Luton*.

In addition, it has a lucrative contract to supply Iran with export kits for assembly there, a lifeline in the current depressed world market. This—and the future of the company in the U.K.—is at stake.

Total shutdown of car assembly begins to-day with 4,000 lay-offs beginning at the Avenger plant. Next week, several hundred more at Linwood will join the 700 already laid off.

Chrysler Chief tells of Plans, Page 8

CBI renews warning to Government

BY HAROLD BOLTER, INDUSTRIAL EDITOR

THE CONFEDERATION of British Industry issued a new warning yesterday that employers would not co-operate in unpopular and harmful policies if their views were ignored by the Government.

The warning came from Mr. Campbell Adamson, the confederation's director-general, addressing the CBI eastern regional council at Cambridge.

"We must continue to oppose with all our strength industrial policies which either lead directly to eventual State takeover of all industry, with the danger of such concentration of economic and political power that we lose our freedom, or else which so upset the balance of power between the managers and employees that the job of managing becomes impossible," Mr. Adamson said.

"In striking contrast to Governments in other advanced industrial countries, the British Government seems to indulge in repeated attacks and destructive criticism of industry's performance, apparently unmindful of the fact that economic success depends on the efforts of both managements and work force.

"At a time when this country desperately needs a united effort to get over its problems, Government must be warned that if they continue to disregard the *views and arguments of industry* and persist in policies which can only weaken our ability to compete, then no consensus will come about.

"Industry will not continue to co-operate in policies which are distasteful to the great majority of the population

Mr. Adamson said that a situation had been reached in this country which was so serious and so potentially dangerous that the greatest degree of responsibility was required.

Industry's first task, therefore, must be to produce constructive policies on the many areas of difficulty. "This we are doing, and shortly we shall be in a position to enunciate them," he said.

Industry must be clear about the policy for defeating the cancer of high inflation, which was producing such strains in our society and making it increasingly difficult for industry to compete in the world.

"If such a policy means we have to face up to problems on pay, problems which require courage to defeat and a general will to resist those who stand out against them, then we must find that will," Mr. Adamson said.

"We have never been a country that has allowed itself to be dragged down by the actions of small groups who wish to bully us into submission so that they can impose their own political and economic doctrines"

CBI makes modest surplus, Page 10

WARNING OVER DOCKS SCHEME

DOCKERS WOULD gain a potentially disastrous stranglehold over exports and imports and the distribution of goods if the Government went ahead with its dock work proposals, the Freight *Transport Association has told* Mr. Michael Foot, Secretary for Employment.

Granada denies 'distortions' over tea programme

BY RICHARD EVANS, LOBBY CORRESPONDENT

GRANADA TELEVISION has written to Mr. Peter Shore, the Trade Secretary, flatly denying allegations from MPs that its World in Action programme distorted the position of workers on the estates in Sri Lanka.

The allegations came in a joint report from three Labour and three Tory MPs who were asked by the Government to inspect the tea plantations while in Sri Lanka. Their report was published yesterday.

One of the MPs, Mr. Tom Williams, has already said that the programme was "selective, unbalanced and biased." The report adds that the programme was selective in that it was confined to four British tea estates.

Granada has now told Mr. Shore that it concentrated on the British-owned estates because it felt that "these were a legitimate area of interest to the British audience and offered hope for influence and change."

As far as the selection of children and families and their medical assessments were concerned, "Granada has submitted its finding to leading experts in this field who will support their validity."

A particular aspect of the criticism concerns an incident where a family was filmed living in a disused lavatory. Granada rejected suggestions that this particular incident had been staged.

In the Commons yesterday, Mr. Shore remained non-committal about the accusations despite pressure from some MPs urging action against the plantation owners and from others who defended the television company for highlighting the workers' conditions

Last night Mr. Max Madden, MP for Sowerby, tabled a Commons question to Mr. Shore, asking him to ensure that Granada TV is given an opportunity to comment officially on the report and to enable those comments to be published by his department.

Following a recommendation in the report that he should discuss the situation with British companies having tea estate interests in Sri Lanka, Mr. Shore announced he had invited the President of the Ceylon Association and his colleagues to an early meeting. Until these talks had taken place he was not prepared to comment on the detailed recommendations.

Continued from Page 1

U.S. sinks gunboats

The Pentagon spokesman said that President Ford had ordered the first attack after receiving "indications that the Cambodians appeared to be attempting to move captive crewmen from the ship and the island of Koh Tang to the mainland."

Kevin Rafferty, Asia Correspondent, adds: The U.S. attack came in defiance of orders from Mr. Kukrit Pramoj, Thailand's Prime Minister, that bases in his country were not to be used for military action against Cambodia to recover the Mayaguez.

Mr. Kukrit told the U.S. charge d'affaires in Bangkok on Tuesday that Thailand did not want to get involved in the action against its newly Communist neighbour.

Washington had tried to persuade the Cambodian Embassy in Peking and the Chinese Government itself to intervene to secure the release of the Mayaguez. But the efforts failed.

Continued from Page 1

£15m. aid for Ferranti

Government will sell half its holding of non-voting shares to the then holders of the present 4m. voting shares at 100p each, plus half of any excess of the price over 200p. Any other shares which the Government may buy would also be made available to the public at the full price.

If achievement of a share listing were threatened by losses in the transformer division, the Government would "take appropriate steps" in relation to the losses.

Mr. Sebastian de Ferranti, who will remain as chairman, but relinquishes his role as chief executive, commented on the proposals: "It is a satisfactory deal, fairly arrived at, which ensures the continuity of the company and gies us everything to look forward to."

His brother, Basil, will continue as deputy chairman. There is no present indication of appointments to the proposed new directorships.

Weather

U.K. TO-DAY

RAIN at times. Cool.

London, S.E. and Cent. S. England, E. Anglia, E. Midlands
Sunny showers developing, *heavy and thundery at times.* Wind S.W., light. Max. 14C (57F).

E., N.W. and Cent. N. England, W. Midlands, N. Wales
Sunny spells, thundery showers developing. Wind S.W., light. Max. 14C (57F).

Channel Is., S.W. England, S. Wales
Sunny periods and showers, heavy in places. Wind S.W., light. Max. 13C (55F).

Lakes, I. of Man, N.E. England, Borders, S.W. and N.W. Scotland, Glasgow, Argyll, N. Ireland
Sunny spells and showers. Wind light, variable. Max. 13C (55F).

Edinburgh, Aberdeen, Cent. Highlands
Bright intervals, hill fog. Wind E., light. Max. 11C (52F).

Moray Firth, Caithness, Orkney, Shetland
Cloudy, rain in places. Wind N.E., moderate. Max. 7C (45F).

Outlook: Showers and sunny intervals.

Lighting-up: London 21.14, Manchester 21.31, Glasgow 21.50, Belfast 21.51.

BUSINESS CENTRES

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Alexandria	F	24	75	Luxembg	C	14	57
Amstrdm	F	15	59	Madrid	F	19	66
Athens	F	20	68	Manchstr	R	10	50
Bahrain	S	30	86	Melbourne	S	15	59
Barcelona	F	18	64	Milan	S	21	70
Beirut	F	27	81	Montreal	S	22	72
Belfast	C	9	48	Moscow	F	25	77
Belgrade	C	15	59	Munich	C	15	59
Berlin	F	20	68	Newcastle	C	7	45
Birmghm	C	13	55	New York	S	24	75
Bristol	R	12	54	Oslo	R	12	54
Brussels	F	16	61	Paris	C	15	59
Budapest	S	26	79	Perth	S	20	68
B. Aires	S	16	61	Prague	S	19	66
Cairo	Sa	38	100	Reykjavik	R	5	41
Cardiff	F	13	55	Rio de J'o	S	30	86
Cologne	C	14	57	Rome	F	21	70
Copnhagn	S	15	59	Singapore	S	32	90
Dublin	C	5	40	Stockholm	S	17	63
Edinb'gh	C	9	48	Strasbourg	F	18	64
Frankfurt	C	19	66	Sydney	S	20	68
Geneva	F	17	63	Tel Aviv	[illegible]	34	93
Glasgow	C	9	48	Tokyo	C	21	70
Helsinki	S	16	61	Toronto	S	17	63
H. Kong	S	30	86	Vienna	F	21	70
Jo'burg	S	16	61	Warsaw	F	27	81
Lisbon	C	16	61	Zurich	F	18	64
London	C	13	55				

HOLIDAY RESORTS

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Ajaccio	F	19	66	Jersey	F	14	57
Algiers	S	21	70	Las Palms	F	20	68
Biarritz	F	15	59	Locarno	C	19	66
Blackpool	C	12	54	Majorca	F	21	70
Bordeaux	C	16	61	Malaga	F	24	75
Boulogne	F	11	52	Malta	F	15	59
Casablanca	C	19	66	Nairobi	S	24	75
Cape Tn.	S	21	70	Naples	R	17	63
Corfu	C	18	64	Nassau	C	28	82
Dubrovnik	R	14	57	Nice	S	19	66
Faro	F	18	64	Oporto	C	15	59
Florence	C	22	72	Rhodes	R	13	55
Funchal	S	20	68	Salzburg	F	19	66
Gibraltar	F	21	70	Tangier	F	19	66
Guernsey	F	12	54	Tenerife	C	16	61
Innsbruck	C	14	57	Tunis	F	20	68
Inverness	C	7	45	Valencia	S	24	75
I. of Man	C	10	50	Venice	F	25	77
Istanbul	C	20	68				

S—Sunny. F—Fair. C—Cloudy. R—Rain. Sa—Sandstorm.

U.K. deficit of $7bn. forecast

BY RUPERT CORNWELL

PARIS, May 14.

THE OECD is forecasting that Britain will run a current account deficit in 1975 of about $7bn., marginally higher than the $6.5bn. predicted at the end of last year. This is in spite of a sharp improvement in the payments positions of OECD member countries as a whole.

New estimates prepared by the secretariat for to-day's meeting of the organisation's Working Party Three are understood to suggest an overall deficit for the 24-nation area of only $18bn. to *$19bn. It compares with the* $27.5bn. estimate made only two months ago.

This encouraging change, which confronted the senior Central Bank and Treasury officials participating at to-day's meeting, is mainly the result of improved foreign trade performances by nations suffering from deep business recessions.

France and especially Italy are likely to cut their deficits substantially from the $6bn. or so forecast in both cases last December. The U.S., in the grip of its deepest post-war recession, might even change a $7bn. deficit into equilibrium or a small surplus.

There are also signs of a cut in the perennial and embarrass*ing German surplus. Following* less buoyant trade returns in the first quarter, OECD figures are now suggesting a surplus in 1975 of "only" some $9.5bn. —admittedly little changed from last year, but well below the $12bn. figure which has been mentioned.

This improvement in the OECD area seems likely to be matched by a corresponding decline in the OPEC surplus in 1975.

Despite the academic atmosphere of WP3, considerable anxiety still surrounds the U.K. situation, and it seems generally accepted that an inflation rate of 20 per cent. or more is likely to make an external recovery even harder to achieve.

The feeling here to-day was *that no concerted help for the* pound is on the way, even if requested—at least until the Government takes steps to tackle the problem of inflation. This attitude reflected the view of the Central Bankers